

JULY 1927

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DUN'S REVIEW

A Weekly Survey of Business Conditions
in the United States and Canada

July 2, 1927

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WHOLESALE QUOTATIONS OF COMMODITIES

Corrected Each
week to Friday

ARTICLE	This Week	Last Year	ARTICLE	This Week	Last Year	ARTICLE	This Week	Last Year
APPLES: Common.....	bbl + 5.50	5.00	Gambier.....	lb 9 1/4	10 3/4	Palm, Lagos.....	lb 7 1/4	9
Fancy.....	8.00	12.00	Indigo, Madras.....	" 1.13	1.18	Petroleum, cr., at well.....	bbl 2,94	3.65
BEANS: Marrow, choice.....	6.75	7.25	Prussiate potash, yellow.....	" 18 1/4	18 1/4	Kerosene, wagon delivery.....	gal 15	17
Pea, choice.....	6.35	5.00	Indigo Paste, 20%.....	" 14 1/2	14 1/2	Gas-e auto in gar., st. bbls.....	" 19	21
Red kidney, choice.....	7.25	9.25	FERTILIZERS:			Min., lub., dark, filtered E.....	" 28 1/2	23
White kidney, choice.....	" 7.75		Bones, ground, steamed 1 1/4% am., 60% bone phosphate.....	" 2.75	2.50	Dark filtered D.....	" 30	23
BUILDING MATERIAL:			Chicopee.....	" 28.00	28.00	Paraffin, 903 spec. gr.	" 24	23
Brick, Hudson R. com.....	15.50	17.00	Muriate potash, 80%.....	" 36.40	34.90	Wax, ref., 125 m. p.	lb 4 1/2	6
Portland Cement, Northampton, Pa., Mill.....	1.85	1.85	Nitrate soda.....	100 lbs +	1.25	Rosin, first run.....	lb 57	67
Lath, Eastern spruce.....	6.50	7.50	Sulphate ammonia, domestic f.o.b. works.....	" 100		Soya Bean, tank, coast, prompt.....	" +	9 1/4
Lime, f.o.b. factory.....	200 lb bbl	1.90	Sulphate potash ba. 90%.....	ton 47.30	45.85	Spot.....	" +	11 1/4
Shingles, Cyp. Pr. No. 1.....	13.00	13.00	FLOUR: Spring Pat.....	196 lbs +		PAINTS: Litharge, Am.	lb 9	11
Red Cedar, clear.....	3.96	4.56	Winter, Soft Straights.....	" 7.45	8.25	Ochre, French.....	" 3 3/4	3 3/4
BURLAP, 10 1/2 oz. 40-in.....	yd + 8.02	9.15	Fancy Minn. Family.....	" 6.60	7.00	Paris, White, Am.	100	1.25
40-in.....	" 7.05	7.10	Hay, No. 1.....	" 9.20	10.05	Red Lead, American.....	" 10	11.50
COAL: f.o.b. Mines.....	ton		GRAIN: Wheat, No. 2 R.....	bu 1.57	1.58 7/8	Vernon, English.....	" 1.70	1.45
Bituminous.....			Corn, No. 2 yellow.....	" 1.15 1/2	86 8/8	White Lead in Oil.....	" 13 3/4	15 1/4
Navy Standard.....	"	\$2.60-\$2.85	Oats, No. 3 white.....	" 57	46 1/2	Zinc, American.....	" 1.00	85
Hickory, Steam.....	" 1.35	1.60	Barley, malting.....	" 1.00	82 3/4	" F. P. R. S.	" 6 5/8	7 1/4
Anthracite.....			Hay, No. 1.....	" 1.20	1.50	PAPER: News roll.....	100 lbs	3.25
Stove (Independent).....	" 8.75	9.00	Straw, lg. rye.....	" 1.65	1.15	Writing, tab-sized.....	" 6.50	7
Chestnut (Independent).....	" 8.25	8.50	HEMP: Midway, ship.....	lb 16 1/4	15 1/2	Book, S. S. & C.	" 10	10
Pea (Independent).....	" 5.50	5.00	HIDES, Chicago:			Boards, chip.....	" 42.50	42.50
Stove (Company).....	" 9.00	9.10	Leatherer, No. 1 native.....	lb 19 1/4	13	Boards, straw.....	" 52.50	55.00
Chestnut (Company).....	" 8.45	8.60	No. 1 Texas.....	" 18	12	Boards, wood pulp.....	" 75.00	67.50
Pea (Company).....	" 6.00	6.50	Colorado.....	" 17 1/4	1 1/2	Sulphite, Dom. bl.	100 lbs	3.75
COFFEE, No. 7 Rio.....	lb		Cows, heavy native.....	" 19	12	Old Paper No. 1 Mix.	100 "	37 1/2
" Santos No. 4.....	" 14 1/4	19 1/2	Branded Cows.....	" 17 1/4	14	PEAS: Yellow split.....	"	45
"	" 16 1/4	22 1/2	No. 1 buff hides.....	" 13	10	PLATINUM.....	oz +	6.25
COTTON GOODS:			No. 1 extremes.....	" 20	15	PROVISIONS, Chicago:		
Brown sheetings, Standard.....	yd + 11 1/2	12 1/2	No. 1 Kip.....	" 17	13	Beef, Veal, live.....	100 lbs	11.90
Wide sheetings, 10-4.....	" 52	56	Calves, No. 1, light.....	" 19	12	Hog, live.....	" +	9.10
Bleached sheetings, stand.....	" 17	17 1/4	Colorado.....	" 17 1/4	1 1/2	Lard, N. Y. Mid. W.	" +	14.35
Medium.....	" 11 1/4	12 1/2	Cows, heavy native.....	" 19	12	Lard, Pork, mess.	" +	13.15
Brown sheetings, 4 yd.....	" 9	9 1/2	Chicago City calfskins.....	" 21	17	Lambs, best fat.	100 lbs	31.00
Standard prints.....	" 8		HOPS: N. Y. prime '26.....	" 55	55	Sheep, fat ewes.....	" +	14.25
Brown drills, standard.....	" 11 1/4	13 1/4	JUTE: Shipment.....	" + 6%	8	Short ribs, sides, l'se.....	" +	6.00
Staple ginghams.....	" 9	9	LEATHER:			Bacon, N. Y., 140s down.....	" +	12.00
Print cloths, 38 1/2-in. 64x60	"		Unison backs, t.r.	" 46	38	Hams, N. Y., big, in tcs.	" 17 1/4	23 1/4
Hose, belting duck.....	" 7 1/2	7 1/2	Scoured oak-backs, No. 1.....	" 50	43	Tallow, N. Y., sp. loose.	" 17 1/4	30
" 32-34	" 33-34		Belting, Butts, No. 1, light.....	" 60	58	SALT: Table.....	200-lb. sack	1.90
DAIRY:			LUMBER:			SALT FISH:		
Butter, creamery, extra.....	lb + 42 1/4	41	Western Hemlock, No.			Mackerel, Norway fat.....		
Cheese, N. Y., Fresh spec.	24 1/2	23	White Pine, No. 1	per M ft	32.50	No. 3.....		
Cheese, N. Y., fine heel spec.	" 27	28	Barn, 1x4".....	"	71.00	Cod, Grand Banks.....	bbl	10.00
Eggs nearby, fancy.....	doz + 34	39	FAS Quartered Wh. Oak.....	"	71.00	SILK: Italian Ex. Clas.	lb	6.35
Fresh gathered, firsts.....	" 24	28 1/2	FAS Plain Wh. Oak.....	"	159.00	Japan, Extra Crack.	" +	5.60
DRIED FRUITS:			FAS plain Red Gum.....	"	120.00	SPICES: Maca.	"	98
Almonds, evaporated, choice.....	lb + 11	11 1/2	FAS Poplar, 4/4, 7 to 17".....	"	115.00	Cloves, Zanzibar.....	"	1.10
Apricots, choice 1926.....	" 18	25	FAS Ash 4/4".....	"	120.00	Nutmegs, 105s-110s.....	"	21
Citrons, imported.....	" 22	42	FAS Birch, Red, 4/4".....	"	110.00	Ginger, Cochin.....	"	37
Currants, cleaned.....	" 11 1/4	10	FAS Chestnut, 4/4".....	"	48.00	Pepper, Lampang, black.....	" +	32
Lemon peel.....	" 15	17	FAS 4/4".....	"	125.00	Singapore, white.....	" +	50
Orange peel.....	" 16	16	FAS plain Red Gum, 4/4".....	"	105.00	Mombasa, red.	"	30
Peaches, Cal. standard.....	" 7 1/2	21	FAS Poplar, 4/4, 7 to 17".....	"	165.00	SUGAR: Cent. 96%.....	100 lbs	4.52
Prunes, Cal., 40-50, 25-lb. box.....	" 8	9 1/2	FAS Ash 4/4".....	"	175.00	Fine gran., in bbls.	" +	4.18
Raisins, Mal. 4-cr.	" + 8 1/2		FAS Birch, Red, 4/4".....	"	90.00	Tea: Formosa, fair.....	" +	2.60
Cal. standard loose mus.	"		FAS Chestnut, 4/4".....	"	105.00	Fine, Form.	" +	22.00
DRUGS AND CHEMICALS:			FAS 4/4".....	"	120.00	TEA: Formosa, fair.....	" +	10.00
Acetanilid, U.S.P., bbls.	lb 35	35	FAS 4/4".....	"	121.50	Form.	" +	
Acid, Acetic, 28 deg.	" 33 1/2	32 1/2	FAS 4/4".....	"	112.00	Fine, Japan, low.	" +	
Carbolic, drums.....	" 22	25	FAS Birch, Red, 4/4".....	"	125.00	Best.	" +	
Citric, domestic.....	" 45 1/2	44 1/2	FAS Chestnut, 4/4".....	"	135.00	Hys.	" +	
Muriatic, 18%.....	" 90	85	FAS H. Maple, 4/4".....	"	105.00	Firs.	" +	
Nitric, 42%.....	" 8.50	6.50	Canada Spruce, 2x4".....	"	90.00	TOBACCO, Louisville '26 crop:		
Oxalic.....	" 11	11	N. C. Pine, 4/4".....	"	36.50	Burley Red—Com., sh.	lb	8
Stearic, double pressed.....	" 11 1/2	13	Edge, under 12" No. 2 and Better.....	"		Common.	"	10
Sulphur, 60%.....	" 52 1/2	52 1/2	Yellow Pine, 3x12".....	"	56.25	Medium.	"	13
Tartaric crystals.....	" 37	29 1/2	FAS Basswood, 4/4".....	"	60.00	Fine.	"	25
Fluospar, F'vel, 85% ml.	ton 22.00	22.75	Common Fir, Rough.....	"	63.00	Burley—color.	" +	16
" acid, 98%.....	" 35.00	45.00	Cal. Redwood, 4/4".....	"	80.00	Medium.	"	19
Alcohol, 190 proof U.S.P., gal.....	3.86	4.94	Clear.	"	31.50	VEGETABLES: Cabbage.	bbl	1.50
" wood, 95%.....	" 66	58	North Carolina Pine, 2x4".....	"	78.00	Onions.	bag	1.00
" denatured, form 5.....	" 44	28	Roofers, 13/16x6".....	"	31.75	Potatoes.	bbl	4.00
Alum, lump.....	" 3.35	3.35	Wire rods, Pittsburgh.....	"	32.75	Turnips, rutabagas.	" +	4.25
Ammonic carbonate dom.	" 10 1/2	10 1/2	O-b, rails, hy., at mill.	"		WOOL, Boston:		
Arsenic, white.....	" 3 1/2	3 1/2	Iron bars, ref., Phila.	"	21.76	Average 98 quot.	lb +	64.18
Balsam, Copalba, S. A.	" 52	45	Basic, valley furnace.	"	21.76	66.11		
Fir, Canada.	" 12.00	11.50	Bessemer, Pittsburgh.	"	18.00	Ohio & Pa. Fleece:		
Peru.....	" 1.65	1.75	Gas forge, Pittsburgh.	"	20.76	Delaine, Unwashed.	"	
Beeswax, African, crude.	" 38	41	No. 2 South Cincinnati.	"	19.26	Half-Blood, Combing.	"	
" white, pure.	" 58	60	Billets, Bessemer, Pittsb'.	"	21.69	Half-Blood, Clothing.	"	
Bicarbonate soda, Am.	" 2.30	2.41	Forging, Pittsburgh.	"	33.00	Common and Braid.	"	
Blanching powder, over 34%.....	" 2.00	2.00	Wire rods, Pittsburgh.	"	39.30	Mich. and N. Y. Fleece:		
Borax, crystal, in bbls.	" 4 1/2	4 1/2	Wire Nails, Pittsburgh.	"	42.00	Delaine, Unwashed.	"	
Brimstone, crude dom.	" 23.00	23.00	Barb Wire, galvanized.	"	45.00	Half-Blood, Combing.	"	
Calomel, American.	" 1.96	1.45	Pittsburgh.	"	45.00	Half-Blood, Clothing.	"	
Camphor, domestic.	" 12	12	Gas forge, spot.	"	45.00	Common and Braid.	"	
Castile soap, white.	case 21		Furnace, prompt ship.	"	45.00	Wool, Boston.		
Castor Oil, No. 1.	14.00	14.00	Foundry, prompt ship.	"	45.00	Average 98 quot.	lb +	64.18
Castile soda 76%.....	" 100		Aluminum, pig (ton lots).	lb	3.25	Ohio & Pa. Fleece:		
Formaldehyde.	" 2.50	1.85	Antimony, ordinary.	"	3.25	Delaine, Unwashed.	"	
Formaldehyde.	" 27	21	Copper, Electrolytic.	"	3.25	Half-Blood, Combing.	"	
Gamma tartar, 99%.....	" 45.00	26.50	Coke, Connellsburg, oven.	ton	3.25	Half-Blood, Clothing.	"	
Glycerine, G. P. in bulk.	" 24 1/2	30	Furnace, prompt ship.	"	4.25	Common, B. & W.	"	
Gum-Arabic, picked.	" 9 1/2	9	Aluminum, pig (ton lots).	lb	4.00	Half-Blood.	"	
Benzoin, Sumatra.	" 22	19	Antimony, ordinary.	"	4.00	Quarter-Blood.	"	
Gamboge.	" 65	30	Copper, Electrolytic.	"	4.00	Southern Fleece:		
Shellac, D. C.	" 1.20	1.00	Zinc, N. Y.	"	4.00	Ordinary Mediums.	"	
Tragacanth, Aleppo 1st.	" 63	58	Lead, N. Y.	"	4.00	Quarter-Blood, Unwashed.	"	
Licorice Extract.	" 1.50	1.55	Tin, N. Y.	"	4.00	Quarter-Blood, Combing.	"	
Powdered.	" 33	33	Timplate, Pittsb', 100-lb. box.	"	65 1/2	Texas, Scoured Basis:		
Root.	" 12 1/2	12 1/2	5.50	5.50	Fine, 12 months.	"	1.05	
Menthol, cases.	" 4.25	4.35	8.00		Fine, 8 months.	"	1.10	
Morphine, Sulph., bulk.	" 7.85	7.35	8.00		California, Scoured Basis:			
Nitrate Silver, crystals.	" 39%	44%	8.00		Northern.	"	1.00	
Nux Vomica, powdered.	" 7 1/2	7 1/2	8.00		Southern.	"	1.05	
Opium, Johnson lots.	" 12.00	12.00	8.00		Orange, Scoured Basis:			
Quinine, 100-oz. tins.	" + 121.00	91.25	8.00		Northern.	"	1.05	
Rochelle Salts.	" 40	40	8.00		Valley No. 1.	"	1.10	
Sai ammoniac, lump.	" 23	20	8.00		Territory, Scoured Basis:			
Sai soda, American.	" 11 1/2	11	8.00		Fine Staple Choice.	"	1.07	
Sai soda, American.	" 90	1.30	8.00		Half-Blood, Combing.	"	95	
Saltpetre, crystals.	" 48	68	8.00		Fine Clothing.	"	90	
Sarsaparilla, Honduras.	" 1.32	1.38	8.00		Pulled, Delaine.	"	1.08	
Soda ash, 58% light.	" 1.32	1.38	8.00		Fine Combing.	"	1.15	
Soda benzoate.	" 50	50	8.00		Coarse Combing.	"	65	
Vitriol, blue.	" 4.90	4.80	8.00		California Fine.	"	67	
DYE-STUFFS.—Ann. Can.: lb.	" 34	34	8.00		Standard Clay Wor., 16-oz. yd	"	3.05	
Bi-chromate Potash, am.	" 8%	8 1/4	8.00		16-oz.	"	2.27 1/2	
Cochineal, silver.	" 94	71	8.00		Serge, 11-oz.	"	2.52 1/2	
Cutch.	" 15	16 1/2	8.00		Serge, 16-oz.	"	3.17 1/2	
			8.00		Fancy Cassimere.	"	3.50	
			8.00		13-in. all-worsted serge.	"	1.95	
			8.00		36-in. all-worsted Panama.	"	55	
			8.00		53-in. 53	"		
			8.00		Broadcloth, 54-in.	"	4.12 1/2	

+ Advance from previous week. Advances, 34.

— Decline from previous week. Declines, 29.

* Carload shipments, f.o.b., New York. † Quotations nominal.

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THE WEEK

ALTHOUGH there has been a noticeable slackening in various branches of commercial activity, volume of trade in general shows up favorably with the record for the comparative period of 1926. The decreases which have been set down in the totals for the first half-year are attributable almost exclusively to adverse weather conditions, as nothing has occurred to undermine the strength of fundamental business progress. It cannot be denied, of course, that there is some unevenness in the present situation, and that seasonal merchandise has not been moving uninterruptedly. There has been, however, a marked improvement in forward buying, and in some trades orders booked in June for Fall shipment exceed those of the corresponding month for the past several years. Retailers in general are in a better position this season than they have been for some time, because their purchases were quite sparing and they have no large surpluses to sacrifice at special sales. The same is true of manufacturers, who are more cautious than usual in cutting up in advance of orders. In fact, manufacturers are disinclined to carry any excess stocks, a stand which doubtless has brought about the steady schedules that are being maintained in many plants. While a contraction in some manufacturing branches at this season is natural, the present recession is far from being rapid, and in many instances there has been but little slowing-down. It is to this maintenance of high operating schedules that the lack of unemployment in the ranks of skilled artisans is accountable, and it also may be one of the reasons for the small number of laborers available. Many of the latter have been absorbed too, by the extensive automobile highway construction, while the building trade is keeping more men occupied than was anticipated a few months ago. Despite the recession in this trade, new building contracts awarded in 37 States during the week were in excess of the total for the week preceding, as well as ahead of the record for the comparative week of 1926. Crop conditions in most parts of the country are said to be encouraging from the farmer's point of view, although it has continued too cool for good growth of corn. Both Winter and Spring wheat, on the other hand, are making excellent advances and cotton's growth is fair to very good in the leading producing districts.

Insolvencies have continued in excess of 1926 for each month since the opening of the year and the report for June makes practically the same comparison as the earlier months. There were 1,833 mercantile defaults last month, contrasting with 1,852 in May and 1,708 in June, 1926. The increase of 7.3 per cent. in number for June this year over last is close to the gain reported for May. For the half year 12,296 mer-

cantile defaults this year contrast with 11,476 in 1926, and 13,384 in the first six months of 1922, the latter the largest number on record. There was only one other half-year period in which insolvencies exceeded those of this year and that was 1915. Allowing for the yearly increase in the number of business firms, this year's record is much better than for either of the two years last mentioned. As to the indebtedness, \$209,888,500 reported a year ago contrasts with \$281,527,518 this year.

Sales of important steel makers during the last week of June were the best of the month, while the inquiry for practically all lines of steel commodities was said to be more active than in any preceding week of 1927. Contrasting with this improvement was a further curtailment of steel ingot output, which now is estimated at around 60 to 65 per cent. of capacity. A further recession in the near future would not be without the bounds of possibility. The rate of new business in most finished lines has slackened, and current demand is not uniformly strong and the tendency to resort to price shading seems to be increasing. Structural steel and railroad equipment formed the bulk of the orders during the week, but even in these departments tonnages fell short of capacity and prices on the business obtained were unusually close. It seems almost certain now that the industry is facing a Summer of quiet, as it is improbable that any inquiries will be received from the automobile industry during the next month or two, and as such a large part of the oil country pipe shipped during the early part of the year still is unused, because of the enforced curtailment of drilling, it is doubtful if orders of consequence will be received from that industry during the balance of the year. Those engaged in the manufacture of goods for farmers are not viewing with any marked cheerfulness the backwardness of the season, since smaller crops will mean that some of the first half production will be available for third quarter requirements. The price situation cannot be termed steady.

There has been a favorable development in the dry goods trade. This improvement is noticeable not only in commitments for Fall shipment, but also in sales. Despite decreases in some parts of the country, sales thus far this year surpass by an appreciable margin those for the corresponding period of 1926. The current demand is largely for staples and seasonal merchandise, but novelty goods also are moving fairly well. Piece goods, such as wash fabrics, silks and ginghams are good sellers, but sales of underwear and knit goods are not uniform. New England cotton mills now are busier than for many months, and increases in value of the raw cotton

have put them in a very much better position as regards to earnings. A few mills are running at full capacity, and many others have sufficient orders on hand to maintain a fair rate of activity for several months, but there still are a large number of idle spindles. In production, cotton goods mills continue to lead all textiles. In the wool goods division, while there has been no further contraction, a new seasonal opening is at hand and the indications are that increased activity on light-weight lines may be instituted. There has been some stimulation of distribution arising from clearance and inventory sales, but the movement is uneven, and in agricultural sections there is a strong desire shown to await further crop reports before making longer commitments for either retail or wholesale selling. In some industrial sections, there has been some hesitancy in the placing of orders.

The hide markets continue to display marked strength, with stocks of both domestic and foreign hides closely sold up and offerings scant. In most lines, the rapid advances have had a tendency to check demand to some extent, as buyers refuse to follow prices to additional higher limits. A few selections have been well traded in, however, at full prices. The general trend in all lines of shoe leathers is also upward, with sole leather in a firm position and still further advances being named by tanners for various lines of upper. Trading has been rather moderate, however, but this is in line with present conditions in footwear, as orders for shoes are not expected to come in big volume until later on in the month. In line with the advances in leather, shoe manufacturers are asking increases, and some sales are reported at higher levels.

GENERAL BUSINESS CONDITIONS

Eastern States

BOSTON.—While retail trade has been fairly active, and most lines are doing well, some complaint is heard from others. Some shoe factories are working overtime, but the average factory, including the large producers, are dull and are reducing, rather than adding to their forces. Manufacturers of men's shoes in the southern districts are operating at about the same rate as at this time last year, which is considered fair. Vacation and sport shoes are showing some activity at retail, but retailers are buying only to fill in and their stocks average small. Upper leather has advanced 7c. a foot since March, and patent leather prices are up 10c. Upper leather stocks have averaged over three months' supply on hand, but is now down to about six weeks' supply. The supply of hides on the market has not been large, but the demand has been sufficient to maintain the price on the new high levels. The machinery trade is fair, but most factories are quiet.

Building contracts awarded during the past week in New England amounted to \$8,228,000. This was considerably more than the total for the corresponding week last year, but somewhat less than for the year previous. Building permits for 39 Massachusetts cities for May amounted to \$13,377,000, which was 8 per cent. less than the total for May, 1926. Permits in these cities to date have been 7.5 per cent. less than those for the same period last year. Prices of New England building lumber are weak and sales moderate. Heavy building materials are active, and some fair-sized orders for brick have been received. Manufacturers are purchasing hardware in moderate quantities for their immediate needs.

The pulp mills are quiet, but more business is expected as the season advances. Prices are firm. Chemicals are moving in good volume on contract orders, but new business is quieter. Prices on most lines are steady. Sales of dyestuffs and tanning materials are light, with no material changes in price. The wool market is active, the interest centering chiefly in the new clip, which is being received and is being taken by the mills in fairly large quantities.

Carpet wools are dull. Imports of wool this year have exceeded considerably last year's figures, and the consumption of carpet wool has been greater than it was a year ago. Woolen goods have been selling in larger quantities than have been generally realized, and it is expected that the heavy-weight season will be better this year than it was last.

Worsted yarns are more active, and other kinds continue to sell well. While prices have increased and hold firm in the wool market, spinners have difficulty in getting advances. In the cotton trade, gray goods are quiet, but the purchasing of some lines of cotton goods has been considerably stimulated by lower quotations. Cotton yarns are active, and the price situation has improved slightly. Second-hand cars are moving slowly, and sales of new cars are moderate. Tires and accessories are slow.

NEWARK.—Distribution at retail continues in fair volume for the season, though weather conditions have not been altogether favorable for the free movement of seasonal merchandise. Sales in holiday goods and vacation materials

have been fairly active, with lightweight apparel for Summer wear selling reasonably well, though sales in men's clothing and straw hats to date are somewhat disappointing. Demand for new automobiles has improved slightly due, in part, to the vacation period now at hand, but sales for the first half of the year register below those for the same period last year. Automobile accessories continue in active demand, but competition is rather sharp.

The building trades generally is quiet, but satisfactory progress is being made with construction work underway and labor generally in this line is well employed. Lumber and building material dealers have fair demand for their products, with little change in price tendency noted.

Industry is nearly normal for the season, though manufacturing jewelers, tanners and manufacturers of leather, have but quiet demand, which in volume is less than that of last year at this time. Taken as a whole, the first six months of the year compare favorably with the volume for the first half of 1926. Bank debits are \$2,354,153,000, compared with \$2,110,042,000 for the same period last year.

PATERSON.—General industrial conditions are below normal, but the silk industry, which is the principal one here, has shown some improvement during the past few weeks, the throwsters having received orders to throw raw silk for the Fall and Winter trade. There also is more activity among the broad silk manufacturers, dyers and finishers.

The automobile dealers are doing an active business, especially in used cars. Weather conditions have affected retail sales adversely. There is complaint of slow collections. Banking conditions are fair. Building and allied trades are active.

PASSAIC.—Textile mills are operating with reduced forces, rubber manufacturers and allied lines report conditions about normal. The handkerchief industry is a little less than normal. Wholesalers are not doing so much business as usual, and are experiencing slow collections. Retail sales have been affected adversely by considerable unemployment, and many of the retail stores are buying in small quantities. Plumbing supplies and mill supplies show considerable activity, with close prices and keen competition. Savings deposits have fallen off, attributed to the textile strike and unemployment period following. Bank loans have been increased lately.

PHILADELPHIA.—There are certain phases of the current situation that elicit just complaint, but volume of business, as a whole, is comparing well with that for the six-month period of 1926. Orders for Fall merchandise measure up to the level of a year ago. The retailer's policy of keeping orders strictly within the limits of the public's actual needs is enabling manufacturers to maintain an even operating schedule and is preventing the accumulation of slowly-moving merchandise that must be thrown on the market at slashed prices that disrupt the ordinary course of sales offerings.

Wool markets lately have shown a better tone and manufacturers seem more inclined to buy reasonable quantities at market prices. The trend of the market seems to be up.

ward. The textile trade has improved with the arrival of better weather and some dealers of dry goods report that they have sold more Fall goods than at this time a year ago. Prices of most merchandise, however, are lower than they were in 1926. While sales of rubber goods approximate the total of last year, the condition of the trade is not better than fair. The volume of shoe business has declined somewhat, but there are many signs of improvement. Manufacturers of glazed kid find that the strong demand which set in for black goods late in May has continued so heavy that it is drawing on the accumulated stocks in the hands of tanners. In the manufacture of trunks, bags and suitcases, business is exceptionally good, demand having improved to an unexpected degree of late for the larger items of luggage and trunks.

While the furniture business in June went ahead of the total for the same month a year ago, it still is below the record for June, 1926. The radio business, which has been quiet for the last two months is taking on a bright aspect now, as orders are beginning to be received for new merchandise. Business in the electrical fixture trade is running 10 per cent. behind that of last year. Movement of paints and varnishes, on the other hand, is showing a gain, and the industry, as a whole, seems to be in a very healthy condition. While the demand for lumber is not very active at this time, it is fairly good, when compared with that of normal business years. There is very little demand for coal and prices, as a result, are soft. Truck dealers find that business is very quiet, sales being below last year's level. Sales of passenger cars have held up fairly well. As a whole, the year thus far has not been so good for some dealers as 1926 was.

PITTSBURGH.—Trade in general, while somewhat better in seasonable lines, due to warmer weather, still is below normal, particularly with the smaller merchants. Buying of merchants in the mining sections continues very light, and the jobbing trade is affected to a considerable extent thereby. Trade with dry goods jobbers is not up to normal, and men's and women's wearing apparel and furnishing goods dealers also are having a comparatively light trade. Shoe sales are in very moderate volume, particularly in men's work shoes. Hardware in seasonable lines shows a little improvement. Groceries and provisions are not up to normal volume. Collections average rather slow with jobbers.

Industrial operations show some decrease, and are rather less than at this period of 1926. Plate glass plants are operating at less than 75 per cent. and window glass plants are even less active, with demand considerably below that of last June. Foreign competition keeps prices on an unprofitable basis. Electrical equipment plants are operating at a very fair rate, but buying is not quite so active as it was. Producers of sanitary and heating equipment are operating at a fair rate. Building operations for the first half of 1927 show a slight falling off. Crude oil production still is at a high rate, with little change.

The bituminous coal market still is very sluggish. While some of the non-union mines are reported operating with a few more men in this section, some 15,000 men in the Central Pennsylvania district quit work on July 1, so that the situation is even more unsatisfactory than it was. Prices continue very low, and Western Pennsylvania grades are quotable per net ton at mines, as follows: Steam coal, \$1.30 to \$1.90; coking coal, \$1.70 to \$1.90; gas coal, \$2; steam slack, \$1.25; and gas slack, \$1.40 to \$1.50.

BUFFALO.—More seasonable weather during the past week has created a noticeable quickening in retail sales of seasonable merchandise, the demand being for the better grade of goods carrying higher prices. Retail distribution is expected to show a marked increase within the next few weeks. Some doubt, however, is expressed as to whether retailers will be able to make up for the slow Spring buying earlier in the season, and price reductions have, in some instances, been resorted to, in order to clean shelves of Spring stock.

Sporting goods and camp equipment are in demand, and while not so active as at this period last year, merchants feel confident that the closing of the season will show sales fully up to those of last year. Hardware and builders' material are moving well. Buying from the wholesaler in nearly all trades is in consonance with actual demand, as retailers' stocks, as a rule, are being kept down to a min-

imum. Crop conditions are reported encouraging from the farmer's point of view, but scarcity of labor is a factor that is looming unfavorably on the horizon. The retail distributor apparently is in a much better position to meet his bills promptly, owing to the hand-to-mouth system of buying.

Southern States

ST. LOUIS.—General business conditions have shown an improvement, especially in the distribution of goods for common consumption, and orders for the current week are in excess of those of last week, as well as being in excess of the total for the same week last year. More favorable and seasonable weather in a large portion of the territory adjacent to St. Louis has brought an increased demand for Midsummer merchandise for which the call had been backward. Also, orders for Fall delivery are being placed in a more liberal manner, and optimism regarding Fall business is growing. It is anticipated that with a favorable crop condition it will be exceptionally good, but the Fall crop is not yet fully assured.

The employment situation is below the season's normal, and there is a surplus of skilled and common labor in the building trades, but this surplus is being reduced gradually. Farm work and highway building also are taking up some of the surplus of unskilled labor, so that this situation, on the whole, can be said to be fairly satisfactory.

Buying of lumber in the St. Louis market has been quiet among the retail trade, and also among the industrials, and price trend is downward, this being particularly true of the hardwood market. The West Coast woods are not suffering very much, as far as price is concerned. The condition of the lumber market is due to the dropping off in building in this territory, and also to the fact that the majority of the yards are selling down to stack bottom before replenishing their stocks. Flour sales for prompt shipment are holding up fairly well, as stocks with most dealers are running low, but demand is confined to small lots for quick shipment.

BALTIMORE.—A recent favorable development in the business situation is the advent of favorable and warmer weather, although temperatures still are subnormal. There appears to be a gradual slackening in various lines of activity, which is attributed to seasonal influences, but nothing has occurred to undermine fundamental business conditions. The volume in most branches of activity for the first half of 1927, compares favorably with that for the first six months of last year, the outstanding exception being the building trade. It is true that the situation is marked by some unevenness and that seasonal merchandise has not been moving uninterruptedly, but there has been an improvement in forward buying and in some lines orders booked in June for Fall shipment exceed those of the corresponding month for the past several years. Current production is believed to parallel closely consumption, and efforts are being exerted to maintain this equilibrium. Manufacturers are disinclined to carry any excess stocks. Wholesalers are carrying about normal inventories, but in several lines retail distributors are understocked. Lessened overhead expenses enable the latter to realize better profits, except where the chain stores offer keen competition.

Labor situation remains practically the same as last month and despite a surplus in many fields, local labor unions in the building line are preparing to inaugurate a forty-hour working week instead of forty-four hours as heretofore. Steel operations have slackened somewhat, and prices still lack stability. Overproduction still is the bane of the oil industry, and refiners here say that the outlook continues uncertain. Soft coal output in this region continues heavy, and the threatened union strike in the bituminous fields of Central Pennsylvania will inure to the benefit of local operators if it materializes. Building operations are still somewhat under those for the corresponding 1926 period, and 40 per cent. of all construction work involves residential building, notwithstanding the increasing trend toward large apartment houses.

Automobile sales have declined somewhat, but this is usual at the beginning of Summer. The decreased volume is more noticeable in the case of pleasure cars than in the movement of trucks, especially heavy machines. Accessory houses and tire distributors are active, however, and the declining crude rubber market is easing tire prices. Furniture trade is rather quiet. Many local dealers are now in Chicago to at-

tend the furniture mart and make Fall purchases. Floor coverings, rugs, and carpets are moving rather sluggishly. Wholesale paper houses are transacting a satisfactory business, and the printing industry is said to be experiencing one of the best years in its history.

There is a gradual betterment in the textile lines. The clothing business, both men's and women's divisions, is not up to expectations, but there has been, both locally and in the South, good buying for Fall requirements in the dry goods, notion and hosiery departments, staple merchandise being in better demand than novelties. Household goods are moving better than they did last month, but volume is slightly under that for June, 1926. Wholesale grocery trade is not very active. Straw hat manufacturers have curtailed production, the cool weather having restricted sales. Umbrella and parasol manufacturers are doing well, and business is substantially ahead of that for the corresponding period of last year.

Maryland leaf tobacco receipts for the week were 1,492 hogheads, while 1,045 hogsheads were sold. Desirable cigarette grades and also seconds ruled slightly higher. Jobbers of manufactured tobacco products report that trade has been stimulated by the proximity of vacation time. Wool receipts are light, but demand is good, and the market is firm at last week's prices. Grain market is not very active, but prices are firmer. Some wheat is now arriving from adjoining States, and the quality is good. Growing prospects of the corn crop are being retarded by lack of warm weather. Pea canners have about finished the pack, which was satisfactory for the reduced acreage, while the quality was unusually good.

LITTLE ROCK.—Continued rains have hampered farming operations in the flood sector, necessitating replanting in some areas as much as three times. However, in the hill section, the cotton stand is accepted as fairly good, although it is about two weeks late. Sales generally are below normal, and it appears that in some quarters price concessions have been made, in order to procure volume.

Due to excessive moisture and high water, lumbering mills in this section have operated only part time. Completed stocks, however, are not large; prices are firm and demand is fairly active. Building operations in the larger cities have shown some recession, and at present most of this activity is confined to the building of residences and repair work.

Western States

CHICAGO.—The half year ended in a period of normal seasonal recession with several important lines a little below the levels at the corresponding time last year and one or two ahead. Current wholesale distribution of dry goods showed a marked improvement, being larger than it was a year ago. Road sales also were ahead, while a large number of customers were reported in the local field for the wholesale pre-inventory clearances. Retail trade was below that of last year for May, on the basis of the Chicago Federal Reserve Bank summary, but has since improved with the advent of better weather.

Building permits for June, with three days yet to be reported, were about on a par with the total of June, 1926. Meat packing at the end of May showed sales totals 7.6 per cent. below those of a year ago, while within the last week, an improvement in the smoked meat trade was reported. The shoe industry for the Seventh Federal Reserve District continues one of the outstanding bright spots, with sales, production, inventories, and unfilled orders ahead of those of last year. Sales of automobiles continue to lag, the Federal Reserve report showing a May decline of 31.6 per cent. in number and 25.2 per cent. in value for new cars moved at retail.

The livestock markets were mixed, good grades of cattle and hogs bringing firm to higher prices, while the poorer cattle and heavy hogs registered declines of 10c. to 15c. in the Monday sales. Hogs were up 10c. to 15c. for the light grades on the day following. Good choice steers brought \$14.20 on Monday, the top price of the year. Hides were firm, both for packer and country grades, with many dealers expecting another price advance next month. Butter and eggs were slightly irregular during the first two days of trading on the local mercantile exchange. The wholesale coal market was slow, while the retailers reported exceptionally dull suburban trade.

CINCINNATI.—The close of the half-year presents no unusual features in the commercial situation. Business pursues an even tenor, and following a long period of moderate declines prices are tending to strengthen in many instances. The general run of business has been characterized by conservative trading, inventories being held comparatively to low levels and margins of profit have been narrow. Warmer weather gives impetus to the movement of Summer apparel, and special sales contribute to a fair turnover. Jobbing trades are entering the usual quiet period, many salesmen are off the road and but few merchants are in the market.

Building is active and materials are in good demand. Current requirements for staple and seasonal hardware lines are fair, and a continuance of good weather will stimulate demand for hose and other garden equipment. Paper trade is fair; June business is slightly behind that of the preceding month, but compares favorably with the volume for the same month last year. Competitive conditions are keen, and profits are held within narrow bounds. While the machine tool industry is quiet, there was some increase in railroad orders and small-lot buying by the automotive industry. Woodworking machinery plants are averaging about 5 days a week, with somewhat reduced working forces.

CLEVELAND.—The business situation in this district, as the second half of the year begins, finds virtually all lines slightly less active than they were last year. This applies to both manufacturing and distributing channels. In the iron and steel business, production has dropped, while buying is for immediate requirements, and here and there the effects of competition are seen in price reductions. Iron ore shipments continue fairly steady. The soft coal situation is unchanged, with production still curtailed. Prices, however, show no increase, and there is no great consumer interest.

Automobile manufacturers report business in fair volume only. Metal automobile accessories are in good demand. The truck business is good, this branch of the automobile industry showing more stability than the pleasure car market. The tire and tube divisions of the rubber industry have maintained relatively high production schedules for some months, although prices have varied. Industrial and commercial building are rather behind the record of last year, in spite of good volume of public and semi-public construction work in progress. High wages continue in all the building trade. Prices of building material, brick, lumber, sheet metal, building hardware, and other construction materials hold firm.

The wholesale trade in all lines is just fair. Some lines have had to contend with the unusual weather conditions lasting all Spring. Jobbers in dry goods report satisfactory conditions. Orders for Fall delivery in the paint and varnish business have been good. Hardware, shoes, foodstuffs, drugs and kindred lines continue quiet. Retail business, except in a few seasonal lines, continues rather quiet.

DETROIT.—The trade situation in Detroit at the present time reflects no material change, and a free movement of merchandise through retail channels is being hampered materially by unsuitable weather conditions. This has affected practically all lines of Summer goods, and vacation requisites to a greater or less extent. The large downtown stores have had a reasonably fair turnover, though of less than normal volume, and no change of consequence is looked for until warmer weather seems assured.

Jobbing and wholesale channels also report a light demand, with customers buying conservatively. No material change is anticipated in factory operations for the present at least, conditions are quiet, and manufacturers are disposed to go slowly and conservatively. The general trade tone, while hopeful, is without unusual features presaging any marked improvement immediately.

MILWAUKEE.—The general business situation has changed but little during the week. Retail trade, particularly the sale of furnishings, has been assisted greatly by warmer weather, which also has had a good general effect on business. Industry is active, as a rule, and labor is well employed. There may be a slight decrease, as compared with the record of a year ago, but not a great deal. The

demand for skilled mechanics is good, the call for workmen in the building trade is strong, and outdoor work is absorbing all the excess of common labor. Reports from the interior are favorable.

With reference to farming, crop reports are good and the dairy farmers are working under favorable conditions. Shoe manufacturers continue to do a pretty good business, and hosiery mills are operating on normal schedules. Bank clearings are increasing and practically all general tests indicate a continuation of business activity. Building permits to date continue in excess of those for the same period a year ago.

MINNEAPOLIS.—General business conditions showed a slight improvement during the week. Manufacturing plants are operating on a moderate scale, building is quite active and skilled labor is fairly well employed. Reports on the wheat and flax crop continue favorable, and recent warm weather has greatly improved the corn crop. The acreage of corn, however, is below that of last year, largely because of inability to plant, due to heavy rains. Flour sales increased slightly last week. Cancellations were fewer, and the inquiry considerably stronger.

KANSAS CITY.—Current volume of sales of groceries, hardware, drugs, dry goods, tires, millinery and men's and women's wear is about the same as for June of last year. No change of consequence is predicted for the near future. Locally there appears to be some curtailment of employment and the usual number engaged in outside activities is probably a little less than it was last Summer. Some new wheat has been arriving, but harvesting has not gone far enough to form definite ideas relative to yield, quality and prices. Other crops will be later than usual, because of hindered planting. Livestock receipts the past week were about the same as the total for the week previous, with prices tending slightly downward. Flour production dropped 10 per cent. with trade in old crop flour fair, and numerous inquiries relative to new crop flour.

Pacific States

SAN FRANCISCO.—Some little improvement all along the line is noted in business in general, buying being more evenly distributed, and volume of sales showing some gains. Jobbers report turnover in volume during the six months' period nearly equal to that of 1926, but many commodities are showing declines of from 5 to 20 per cent., and the trade still is buying in small quantities, making it difficult to realize the profit of former years.

Summer tourist travel to the cities now is in evidence, the majority of hotels reporting business good, and there is a continued normal rate of increase with the public service corporations. For the benefit of the ever-increasing highway travel, much road work is being done, and the opening of Nevada's Transcontinental Highway Exposition at Reno, Nevada, on June 25 brought into prominence the attractive Liberty Highway.

Condition of crops generally is good, and gradually the holdover from 1926 is being cleaned up. The rice stock from last year has moved freely of late, leaving very little in warehouses. In financial circles, applications for investment loans continue numerous, and besides the re-investment funds payable July 1 many transfers from savings accounts to stocks will be made.

LOS ANGELES.—Retail sales have held up fairly well, although in various lines they show a slight falling off, especially in groceries and furniture. Department stores report sales a little in excess of the total for the same period of the previous year. Dealers in men's furnishings report business as satisfactory.

Conditions generally are active in the garment field, but competition is keen, and while wash dresses, sport clothes, bathing suits and sweaters are having a good season, afternoon dresses, coats and suits are reported as only fair. Various shoe manufacturers are increasing their output, and are having a good business, but claim that collections are slow.

Crop conditions are good, and present indications point to a marketing season of conservative profits. Markets for commodities now moving are active, and the price range is satisfactory. The Valencia season is well under way with heavy shipments moving from all districts. Growers also anticipate heavy crops for most deciduous fruits.

The number of building permits indicates a continuance of a large amount of small home building, but retail lumber yards report business as fair. Los Angeles harbor shipments show a steady increase, and general business conditions appear to be fairly good.

SEATTLE.—Retail trade has increased somewhat since the advent of better Summer weather. The volume of some lines has been good during the entire Spring, but in most instances it has shown the retarding effects of unseasonable weather. Automobile sales for the week ended June 17 totaled 522 cars, valued at \$412,483. This total value is less than it was for the week previous, but more than for the week ended June 3. June building totals are expected to be only average. During the last two weeks, activity has been below normal, and below the record for 1926. Thirty-two permits were issued for the week of June 17, which is about one-half the average for that period in recent years.

Employment is on an average for this season. The influx of men looking for work is about equal to the new weekly employment totals. The shutdown in lumber and logging camps is beginning, with a consequent decline in employment. This action is seasonal, and the result of fire hazard in the forests and the annual shutdown period for repairs in the mills. The ten foremost industries of the State of Washington show an increase in the value of their production amounting to a gain of 29 per cent. between 1923 and 1925 census periods. There is evidenced a tightening in shipping rates to Japan on lumber.

Failures for the First Half of the Year

INSOLVENCIES in the United States during the month of June numbered 1,833, with liabilities of \$34,465,165, these figures contrasting with 1,852 similar defaults for \$37,784,773 in May this year and 1,708 in June, 1926, involving \$29,407,523. The increase in the number of defaults in June this year over a year ago is 7.3 per cent., practically the same as in May. There has been a normal decline in practically every month this year from January, the decrease amounting to 25.6 per cent., exactly the same as in 1926, while in 1925 it was 24.6 per cent.

For the first six months of this year insolvencies numbered 12,292, with liabilities of \$281,527,518, in contrast with 11,476 a year ago, involving \$209,888,501. There were only two years, the first half of 1922, and 1915, in which the number of commercial defaults exceeded those of this year, likewise, as to the indebtedness involved, only in 1924, 1922, and 1921 did liabilities for the first six months exceed the aggregate this year. In connection with the larger number of defaults this year consideration must be given to the larger number of firms in business.

Monthly and quarterly report of business failures, showing number and liabilities, are contrasted below for the periods mentioned:

	Number	Liabilities.	
	1927.	1926.	1925.
June	1,833	1,708	1,745
May	1,852	1,730	1,767
April	1,968	1,957	1,939
Second Quarter.....	5,653	5,395	5,451
March	2,143	1,984	1,859
February	2,035	1,801	1,793
January	2,465	2,296	2,317
First Quarter.....	6,643	6,081	5,969
	1926.	1925.	1924.
December	2,069	1,878	2,040
November	1,830	1,672	1,653
October	1,763	1,581	1,696
Fourth Quarter.....	5,662	5,131	5,389
September	1,437	1,465	1,306
August	1,593	1,513	1,520
July	1,805	1,685	1,615
Third Quarter.....	4,635	4,603	4,441
June	1,708	1,745	1,607
May	1,730	1,767	1,816
April	1,957	1,939	1,707
Second Quarter.....	5,395	5,451	5,130
March	1,984	1,859	1,817
February	1,801	1,793	1,730
January	2,296	2,317	2,108
First Quarter.....	6,081	5,969	5,655
			\$108,460,339

SALES OF DRY GOODS INCREASE

Seasonable Weather Brings Heavy Demand for Novelties and Staples—Mills on Larger Schedules

THE following summary of conditions in the dry goods trade was compiled from reports received from branch offices of R. G. DUN & CO.:

BOSTON.—After a period of very dull business, due to unseasonable weather, retailers have had, during the past week, particularly in their cotton dress materials, record-breaking sales. The jobbers, too, are experiencing much more activity. The sales of jobbers of piece goods and of women's furnishings and smallwares are to date from 5 to 10 per cent. below those of last year, this falling-off in volume corresponding closely to the decrease in price of their lines. It is expected that the turnover for the balance of the year will be close to last year's figures.

New England cotton mills now are busier than for many months, and increases in value of the raw cotton have put them in a very much better position as regards to earnings. A few mills are running at full capacity, and many others have sufficient orders on hand to maintain a fair rate of activity for several months, but there still are a large number of idle spindles. Wholesalers report their collections fair, though there has been a slowing down during the past two or three weeks.

PHILADELPHIA.—Distribution of dry goods in this district has improved recently, sales during June making up much of the loss that was suffered on account of the belated Spring weather. Some dealers, however, have sold more Fall goods than at this time a year ago and there are favorable indications of a further improvement in demand during the next few weeks. Prices in general are about 15 per cent. lower than at this time a year ago.

BUFFALO.—Sales of dry goods are about on a par with those of last year for the same period. Business for Fall in advance sales is approximately on a par with the volume of one year ago at this time, and with favorable crops it is believed that business, on the whole, for the last six months will compare favorably with the total for the same period in 1926. Cotton merchandise is moving fairly well. Silk and wool are selling with little change in prices and demand in these lines is good. Retailers continue to buy from hand to mouth, making it necessary for the jobber to carry a larger stock of general merchandise. This enables the retailer to pay his bills more promptly and altogether it is not working to the disadvantage of either the retailer or the wholesaler.

BALTIMORE.—There has been a favorable development in the dry goods trade, which has been in an unsatisfactory condition for some time. This improvement is noticeable not only in commitments for Fall shipment, but also in sales to Southern States in which territory much of this city's outside business lies. It is represented that forward orders booked during the current month are substantially in excess of those for any June during the past five years, and this fact has inspired more confidence for the future. Sales thus far this year surpass by an appreciable margin those for the corresponding 1926 period. The current demand is largely for staples and seasonal merchandise, but novelty goods also are moving fairly well. Piece goods, such as wash fabrics, silks and ginghams are good sellers, but sales of underwear and knit goods are spotty. Hosiery, especially, is moving briskly.

Some specialties are manufactured here, but Baltimore is more of a jobbing than a producing center. Wholesalers are carrying about normal inventories, but stocks in retailers' hands generally are subnormal. Mill shipments are prompt, due to the fact that local wholesale distributors anticipate their requirements and allow the mills to carry the manufactured product until ordered to make shipment.

During the current year, the price status has not changed materially. In the Fall of 1926, cotton merchandise declined, owing to the drop in the cotton market, but recent advances in the raw stock have been stiffening prices in fabricated merchandise. Rayon and silk quotations have been fairly well stabilized since early in the year. No radical price disturbances in any department are anticipated

in the near future. Current collections generally are classed as fair, there having been some recent improvement in returns. The Fall outlook is now more encouraging, and local jobbers anticipate a satisfactory Autumn business.

ST. LOUIS.—There has been some increase in production of dry goods over the total of a year ago, and further increase is expected as financial conditions in many milling properties are readjusted. Sales, as a whole, seem to be about on a par with those of last year in money volume. Raw materials have advanced, but finished materials have not kept with them.

Fall business is expected to be stimulated by some advance in prices, on account of conditions in the cotton country, but demand is not likely to equal production. Merchants seem to have more confidence in placing future orders, and collections are reasonably satisfactory.

CHICAGO.—Belated Spring, an unusual amount of rain delaying crop planting and floods in the Southern territory covered by local wholesale houses have all had a tendency to curtail sales. In the aggregate, they are below those for the same period of a year ago. In most cases, stocks are averaging heavier, while book accounts are less and collections are slightly better. Local department store sales, on the other hand, show a nice increase and pre-inventory sales have been uniformly successful. One large house announced total sales of \$400,000 in one day, setting a record for them. There is a rather heavy demand for white goods, and other Summer fabrics. Prices seem firm, although stores conducting sales are offering attractive price reductions.

CINCINNATI.—Compared with the record for the six months period of 1926, dry goods sales for this year show little change, but lower prices have reduced the monetary volume approximately 8 to 10 per cent. Prices recently have reacted, as a result of advances in the cotton market, and, with the possible exception of white sheetings and percales, all lines of cotton piece-goods have strengthened, and there is a further tendency upward. This situation has induced buyers to give more attention to future needs, and forward orders have been fairly numerous.

City consumers have been slow in buying Summer requirements, the absence of higher temperatures delaying this class of business, and jobbers have been receiving but a limited number of fill-in orders. Immediate prospects are fair, with the price situation more favorable. Collections are about up to the average.

CLEVELAND.—The dry goods business in this district has followed the trend of most staple lines, and for the first six months of the year volume has dropped, in comparison with the record of last year, and prices have tended downward. Wholesale dry goods houses report Spring business disappointing, placing the blame in part on the unseasonable weather, which has prevailed right up to the present. The demand for all grades of woolens, silk, dress material and similar merchandise has been off, although there has been a steady demand for rayon and some grades of cotton textiles.

Interest is centered in cotton goods; there seems to be a fairly settled conviction that the rumored cotton shortage, which has been causing a steady rise in the price of raw cotton, will result in general price increase in cotton fabrics. Some jobbers report fairly large booking for Fall delivery, and better business conditions generally are anticipated in all textile lines. Retail trade has been quiet, although there has been fairly good trade in some lines, particularly hosiery, knit goods and sport wear. There has been no unusual activity in notions, linens, braids, trimmings, infants' wear, millinery and novelties.

DETROIT.—This line also has felt the more or less uneven trend of trade latterly, and unfavorable weather conditions also have contributed largely toward hampering a free distribution of merchandise in retail channels. Merchants are well stocked on Summer goods, but settled warm weather is essential to move these. Trade among the smaller stores has been quite dull, and while the larger stores, particularly the downtown department stores, have enjoyed a fairly good turnover, the volume has been less than anticipated. No material fluctuation in prices is noted, or likely. Among wholesalers and jobbers, customers are buying sparingly and chiefly to fill spot needs.

MINNEAPOLIS.—Local wholesalers and jobbers report that sales for the last six months are slightly in excess of those for the corresponding months of 1926. Buying, however, still is on a very conservative basis, and stocks are quite low throughout the Northwest. Crop prospects are more favorable than for some years past, and dealers anticipate a steady increase in sales from now on. Prices are a little above those of last year, and are steady at present. Collections in this line are fair.

SAN FRANCISCO.—Leading houses in this line report that sales are running ahead of the volume of last year, although prices are 15 to 20 per cent. lower. Demand is good for knit goods, domestics, silks, crepes and ready-to-wear. With hosiery jobbers, business is active, and they are compelled to carry full stocks, in order to supply both large and small stores, as buying is mostly in small amounts. Business is reported as showing signs of picking up for Fall, and prices are expected to advance. Collections are fair to good.

SEATTLE.—The outstanding fault in the dry goods business of this section has been unseasonal weather, which has retarded sales. The demand this year has been about 10 per cent. under the volume for the like period last year. The level of prices is about 20 per cent. lower than it was last year.

The volume of orders for Fall placed now with wholesalers is 25 per cent. larger than it was at the same time a year ago. The cotton market's upward tendency is stimulating buying only slightly. The wholesaler's Summer season is practically ended.

The volume of export business has been favorable. The Hawaiian trade increased about 25 per cent.; Japanese business declined somewhat, as did trade with China, but the volume of Alaskan business increased. The volume of collections is considered fair.

Trade at Sacramento

SACRAMENTO.—There has been a notable improvement in business activity, as well as in collections in both the wholesale and retail trade, as compared with the record for the first quarter of the year. However, it is generally admitted that neither of these fundamental phases of business are up to the standard set by 1926. The condition generally is attributed to poor prices obtained by ranchers for their produce during the last season, and now are beginning to be felt.

Practically all crops in this section are from one to six weeks late, but the crop outlook is good, and indications are that prices will be better than they were last year. Building activity is especially good, permits continuing to exceed those of last year by over \$1,000,000 and conditions generally in that line are spoken of as favorable. With the opening of harvest, there is little or no unemployment at present. There appears to be good ground for the prevalence of the general optimism that exists.

Dun's Insolvency Index

INSOLVENCIES each month this year have continued more numerous than for recent preceding years and DUN'S Insolvency Index which measures mercantile defaults in the United States in proportion to the number of firms in business, is several points higher this year than in 1926 or 1925. The Insolvency Index for the month of June is 103.2 and contrasts with 95.1 for June a year ago and 99.8 in June, 1925. The five-year average for the month of June, 1921-25, inclusive, was 93.6. For January this year the index was 141.9, against 133.9 a year ago, and 138.0, the average for five years.

In the following table a comparison is given in DUN'S Insolvency Index for each month this year, with the record for earlier years:

	1927.	1926.	1925.	1921-25
June.....	103.2	95.1	99.8	93.6
May.....	105.9	100.4	104.3	103.3
April.....	108.4	105.7	111.1	107.7
March.....	113.8	106.8	106.6	110.9
February.....	133.8	119.0	124.7	128.0
January.....	141.9	133.9	133.6	138.0

REPORTS ON COLLECTIONS

Boston.—A further falling off in payments occurred during the week, and collections now are slower than they have been at any time this year. After a steady improvement since January, the June average shows a decline. Complaints have been heard in almost all lines.

Providence.—Many of the trades that for several weeks have been reporting normal collections now state that they are experiencing considerable slowness.

Hartford.—In general, collections are classed as slow.

Philadelphia.—There still is considerable complaint about the slowness of collections.

Paterson.—There is some complaint about slow collections.

Buffalo.—The retail distributor apparently is in a much better position to meet his bills promptly, owing to the hand-to-mouth system of buying.

Pittsburgh.—With jobbers, collections average slow, but with retailers there has been some improvement during the week.

St. Louis.—In this district collections continue fairly satisfactory, with many of the wholesale dry goods houses reporting continued improvement. The electrical trade find payments coming in steadily, while in the hardware trade they are light. There has been a slight improvement in collections in the grocery, coffee and tea trades, while in the boot and shoe industry the improvement has been quite general.

Baltimore.—Of twenty-nine houses in various lines of trade interviewed at this time, seventeen report that collections are fair, six report them as good, three normal, and three poor.

Atlanta.—For the month of June, collections are reported to be fairly satisfactory, and in several lines there has been a slight improvement.

Little Rock.—There has been a further retrogression in collections, and payments, as a rule, respond only to pressure.

Dallas.—Although collections are slow, they are reasonably satisfactory.

Oklahoma City.—There has been but little improvement in collections during the week.

Jacksonville.—The bulk of the reports received during the week show that collections continue to be slow.

New Orleans.—Although collections still are slow, they are slightly better than they were during the early part of June.

Detroit.—In general, collections are slow.

Chicago.—Many of the retail dealers are said to be seeking payments on old accounts, with less than the usual success. Complaints of slow payments also are being made by those in professional lines, particularly doctors and dentists.

Cincinnati.—While reports of slow collections predominate, in the main, they are termed as fair.

Cleveland.—In most cases, collections continue rather dilatory.

Minneapolis.—For the week, collections have averaged from fair to slow.

Kansas City.—Collections in ready-to-wear lines have been a little behind those of last year, and a little slower than they were at the first of the month.

Omaha.—The only change in collections for the week was that there was a decided improvement noticeable in several lines.

Denver.—In this territory, the majority of reports show that collections average from fair to slow.

San Francisco.—With retailers, collections still are somewhat slow, but country merchants are catching up a little.

Seattle.—In the retail trade collections are fair, and in the wholesale trades from fair to good. With instalment houses they are good.

Montreal.—With comparatively few exceptions, general payments may be qualified as a little better than fair. With wholesale grocers, money is coming in well from the country, but city collections are somewhat slow.

Quebec.—On the whole, collections are satisfactory.

Cotton Supply and Movement.—From the opening of the crop year on August 1 to June 24, according to statistics compiled by *The Financial Chronicle*, 18,902,236 bales of cotton came into sight, against 16,023,416 bales last year. Takings by Northern spinners for the crop year to June 24 were 1,865,300 bales, compared with 1,867,809 bales last year. Last week's exports to Great Britain and the Continent were 73,698 bales, against 42,001 bales last year. From the opening of the crop season on August 1 to June 24, such exports were 10,478,989 bales, against 7,557,673 bales during the corresponding period of last year.

THE MONEY MARKET IS HIGHER

Rates Were Advanced but Funds Were Available for All Needs

DESPITE the stiffening in money rates early in the week in anticipation of month-end disbursements, which caused the call money rate to rise to 5 per cent, the highest since January 5, the market was generally easier. Such a flood of money was attracted to the lending table at the 5 per cent. figure, that funds were plentiful enough to more than satisfy all requirements and the rate dropped to 4½ on the board, while 4 per cent. ruled in the street. Beyond Monday, when about \$45,000,000 in funds were called, withdrawals have been generally light. In time money, which has marked the same activity as was the case last week, namely in the renewals of expiring loans, 4½ has continued the bankers' quotation from 90 days up, but trades at that price has been fairly limited in number.

Commercial paper has been definitely quoted at 4½ per cent. for choice names, the 4 per cent. figure having virtually disappeared. A slight firming up in merchants' paper occurred when there were some names quoted at 4½ per cent., although the movement had no indication of affecting the general market for these papers. Call loans against bankers' acceptances advanced ¼ per cent. to 4 per cent.

The Italian lira again has occupied the center of the stage in the foreign exchanges, although its rôle this week has been one of distinct reversal of trend compared with the previous week. After reaching 5.84½c. last Saturday, the highest since 1920, the lira declined about 30 points to 5.54%. This decline has been orderly and moderate, due almost solely to the restraining measures the Italian Government is placing upon speculation in the lira which, in turn, is slowly but surely ridding the market of the speculators, who would effect a wild rise in the exchange. The anticipation that the government will soon bring about a rise in the lira to 6c. is attested by the favorable outlook in economic conditions in Italy, which each day is noting some further improvement.

One other feature of an otherwise quiet and orderly foreign exchange market has been the rise in Spanish pesetas to a point over 17c. The renewal of buying in this exchange followed a period of rather extreme pressure which extended over slightly more than two weeks. Sterling has continued around its own price of 4.85½c., while the franc has remained practically unchanged around 3.91½c. Scandinavians, Hollands, and the Far Easterns have experienced some slight fluctuation, no case of which has marked more than a fractional change.

Daily closing quotations of foreign exchange (bankers' bills) in the New York market follow:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Sterling, checks ..	4.85½	4.85½	4.85½	4.85½	4.85½	4.85½
Sterling, cables ..	4.85½	4.85½	4.85½	4.85½	4.85½	4.85½
Paris, checks ..	3.90½	3.90½	3.90½	3.90½	3.91½	3.91½
Paris, cables ..	3.91½	3.91½	3.91½	3.91½	3.91½	3.91½
Berlin, checks ..	23.68½	23.68½	23.69	23.69	23.68	23.68
Berlin, cables ..	23.69½	23.69½	23.70	23.70	23.70	23.70
Antwerp, checks ..	13.88	13.88	13.88	13.87½	13.87½	13.87½
Antwerp, cables ..	13.88	13.89	13.89	13.89	13.89½	13.89½
Lire, checks ..	5.80½	5.65½	5.62	5.54½	5.52	5.53½
Lire, cables ..	5.81	5.68	5.62½	5.58	5.52	5.53½
Swiss, checks ..	19.23%	19.25	19.25	19.24	19.23	19.22
Swiss, cables ..	19.24%	19.26	19.26	19.25	19.25	19.25
Guilders, checks ..	40.06	40.04	40.04	40.04½	40.04	40.04
Guilders, cables ..	40.07	40.06	40.05	40.05½	40.06	40.06
Pesetas, checks ..	16.90	16.97	17.01	17.02	17.09	17.18
Pesetas, cables ..	16.91	16.98	17.02	17.03	17.11	17.20
Denmark, checks ..	26.72	26.73	26.73	26.72	26.71	26.71
Denmark, cables ..	28.73	26.74	26.74	26.73	26.73	26.73
Sweden, checks ..	26.79	26.81	26.81	26.80	26.79	26.78
Sweden, cables ..	26.80	26.82	26.82	26.81	26.80	26.80
Norway, checks ..	25.86½	25.87	25.85	25.85	25.84	25.88
Norway, cables ..	25.87½	25.88	25.86	25.86	25.86	25.90
Greece, checks ..	1.35	1.34½	1.34½	1.34½	1.35	1.35
Greece, cables ..	1.38	1.35½	1.35½	1.35½	1.35½	1.35½
Portugal, checks ..	4.98	4.99	4.99	4.99	4.99	4.99
Portugal, cables ..	5.00	5.00	5.00	5.00	5.00	5.00
Montreal, demand ..	99.87	99.87	99.84	99.86	99.84	99.84
Argentina, demand ..	42.37½	42.37½	42.44	42.42	42.45	42.37
Brazil, demand ..	11.75	11.75	11.75	11.79	11.70	11.70
Chile, demand ..	11.99	11.99	11.99	11.99	12.06	12.06
Uruguay, demand ..	99.38	99.38	99.88	99.37½	99.50	94.75

Money Conditions Elsewhere

Boston.—The money market is quiet and funds are plentiful. The reserve ratio of the Boston Federal Reserve Bank has again increased. Call money continues at 4½ per cent. Most names in commercial paper are being offered at 4½ per cent. A few at 4 per cent. were on the market during the week, and there were some

others at 4½ per cent. For some time, the tendency of money rates has been downward. The savings departments of the Boston trust companies and national banks pay 4½ per cent., as a rule, on deposits. A number of the savings banks are paying 5 per cent., and one large institution in an outside city recently advanced its rates to 5 per cent.

St. Louis.—Money continues to be plentiful with practically all commercial banks, and the demand is steady, but below normal for this season of the year. Banks are seeking outside investments for their surplus funds. Rates have not changed to any extent. Commercial paper is 4 to 4½ per cent.; collateral loans are 4½ to 5½ per cent.; while other forms of accommodation range from 5 to 6 per cent.

Atlanta.—Banks report no increase in demand for money, which continues in such ample supply. Discount rates are averaging from 5 to 6 per cent. Deposits are holding up well.

Chicago.—Except for the fluctuations in the call money rate, customary around July 1, money rates were unchanged during the week. Commercial paper was quoted at 4 to 4½ per cent., over-the-counter loans 4½ to 5½ per cent., and loans on collateral 4½ to 5½ per cent. The commercial paper market was temporarily dull, but an increase in activity is expected next week.

Cleveland.—The Federal Reserve Bank of Cleveland reports a decline of discount holdings of \$27,700,000 and shows a reserve ratio as of June 22 of 80.5 per cent. The demand for money continues even, and there is a ready market for industrial and commercial paper at the same rates which have been quoted for the past month or more.

Minneapolis.—Money is in good supply and in active demand. Over-the-counter loans are quoted at 4½ to 6 per cent., while commercial paper is 4 to 4½ per cent. Total reserves at the Federal Reserve Bank increased about \$3,155,000 during the week, and bills discounted increased \$722,000. There was a decrease in note circulation of \$382,000.

Kansas City.—Clearings through the local association the past week were about 10 per cent. less than they were for the previous week and 15 per cent. larger through the Federal Reserve Bank. The statement of the latter showed an increase of 20 per cent. in bills discounted, and a decrease of about the same amount in government securities held. The reserve ratio increased two points to 62.2.

This Week's Bank Clearings

BANK clearings this week at all leading cities in the United States are \$9,227,096,000, a decrease of only 1.5 per cent. in comparison with the corresponding week of last year. The week this year ends with the last day of June, whereas a year ago the week included the heavy bank settlements incident to the first day of July, and two years ago included two days of the mid-year bank payments. At a number of cities, however, clearings this week show small gains over both preceding years. New York City reports exchanges this week of \$5,842,000,000, which slightly exceed those of last year and at cities outside of New York the total of \$3,385,096,000 is 3.9 per cent. below those of a year ago. There are small gains this year at Boston, Pittsburgh, Louisville and San Francisco, while decreases appear at all other points.

Figures for the week and average daily bank clearings for June to date and for preceding months are compared herewith for three years:

	Week June 30, 1927	Week July 1, 1926	Per Cent.	Week July 2, 1925
Boston	\$540,000,000	\$531,248,000	+ 1.6	\$397,553,000
Philadelphia	522,000,000	568,000,000	- 8.1	608,000,000
Baltimore	92,088,000	105,255,000	- 12.5	108,725,000
Pittsburgh	189,348,000	178,142,000	+ 6.3	185,761,000
Buffalo	49,561,000	56,500,000	- 12.3	56,404,000
Chicago	653,100,000	682,903,000	- 4.4	805,352,000
Detroit	159,011,000	166,801,000	- 4.7	169,182,000
Cleveland	117,569,000	119,000,000	- 1.2	123,862,000
Cincinnati	68,485,000	74,356,000	- 8.0	76,478,000
St. Louis	133,900,000	137,800,000	- 2.8	146,300,000
Kansas City	134,330,000	138,400,000	- 2.9	136,100,000
Omaha	35,662,000	37,946,000	- 6.3	41,144,000
Minneapolis	66,867,000	72,813,000	- 8.2	82,204,000
Richmond	44,423,000	47,536,000	- 6.5	52,967,000
Atlanta	46,310,000	48,309,000	- 10.5	56,629,000
Louisville	35,430,000	33,903,000	+ 0.4	36,410,000
New Orleans	47,536,000	55,791,000	- 16.3	58,418,000
Dallas	40,522,000	42,283,000	- 3.5	46,476,000
San Francisco	181,900,000	180,900,000	+ 0.6	187,600,000
Los Angeles	164,364,000	167,015,000	- 1.6	165,037,000
Portland	29,067,000	37,368,000	- 22.2	39,451,000
Seattle	41,023,000	42,506,000	- 3.5	42,447,000

	Total	Total	Per Cent.	Total
New York	5,842,000,000	5,840,000,000	+ 0.1	6,383,000,000
Total All	\$9,227,096,000	\$9,364,156,000	- 1.5	\$9,905,697,000
Average Daily				
June	\$1,677,006,000	\$1,525,340,000	+ 9.9	\$1,501,414,000
May	1,597,975,000	1,521,480,000	+ 5.0	1,521,020,000
April	1,602,693,000	1,587,962,400	+ 0.9	1,438,431,600
1st Quarter	1,654,409,000	1,657,622,000	- 0.2	1,525,111,000

THE STEEL INGOT OUTPUT DROPS

Sales for the Week the Best in June, but Production Shows a Further Curtailment

IMMEDIATE prospects do not seem to favor any increase in steel production, now estimated at around 60 to 65 per cent. of ingot capacity, and a possible further recession is likely over the next month or two. The rate of new business in most finished lines has slackened considerably, current demands being rather spotty, and in competitive territory price shading seems to be increasing. Structural steel awards still are fairly numerous, and some good-sized contracts for railroad equipment have been placed, but even in these departments tonnages fall short of capacity, and prices are close on business obtained. Sheets and strip steel are being held to the recent advanced quotations, and a fair volume of orders booked, though under the rate of shipments over the past month. At pipe mills, some production is going into stock, actual shipments being about 50 per cent. of capacity and jobbers are buying only as needed; mill deliveries being unusually prompt.

The price situation cannot be termed steady though, on the other hand, Pittsburgh quotations are not shaded generally. Cold finished steel bars, however, have dropped to \$2.30 and under, certain competitive districts developing \$2.20, Pittsburgh. Merchant steel bars are now quoted \$1.85, Pittsburgh, with further concessions on preferential tonnages. Structural shapes and plates are quotable at \$1.80 and \$1.85, Pittsburgh. At Pittsburgh, the recession in scrap values appears halted and negotiations on several good-sized tonnages are reported to have stiffened the market slightly and \$15 for heavy melting steel is the minimum. Foundry iron No. 2 has definitely dropped to \$18, Valley, and with basic and Bessemer grades, interest is lacking. Bessemer nominally \$19, Valley, and basic \$18, Valley, though, as a rule, there has been a moderate differential between foundry and basic iron. Contract furnace coke is bringing \$3.25 at oven for the third quarter, subject to possible wage revision. The spot market in both furnace and foundry coke remains comparatively weak.

Other Iron and Steel Markets

Buffalo.—There is little change in the iron and steel situation. Mills are only fairly active, operating at about 60 per cent. capacity. Orders are general, and while not large are frequent. Pig iron is in only fair demand, and that for immediate requirements. Prices still are hovering around \$20 to \$21, as a basis.

Chicago.—Sales of important steel makers in the Chicago district near the close of June were the best of the month, while inquiry for practically all lines of steel commodities was said to be more active than in any preceding week of 1927. Contrasting with this improvement was a further curtailment in steel ingot output, a furnace being blown out by the leading producer. Ingot output is fixed at 75 to 80 per cent. of capacity for the West. Sales, specifications, and shipments of the Western mills are expected to show decline of not more than 2 per cent. from the like period of 1926 when the final figures are available. Standard steel rail inquiry in the market totals around 100,000 tons, with awards of as high as 75,000 tons expected in the next few weeks. The secondary rail-buying movement, it is predicted, will be more active this year than it was last year. Large track material orders are expected with the rails, while tank plate inquiry at the beginning of the week involved about 8,000 tons. Ruling prices in the Chicago market at the beginning of the week were: Pig iron, \$20; hard steel bars, \$1.90 to \$2; shapes and plates, \$2; soft steel bars, \$2.

American Bankers' Association and the American Institute of Banking may hold their next annual convention in Philadelphia. About 8,000 delegates and associates usually attend.

Corporation bonds and notes maturing in July, including railroad, public utility and industrial issues, are \$120,370,800. This compares with \$35,218,590 in June and \$60,754,270 in July, 1926.

Stocks of slab zinc in the hands of American producers on June 15 were 44,432 short tons, compared with 42,046 on June 1. Shipments between those dates were 23,130 tons and production 25,516 tons.

HIDE MARKETS REMAIN STRONG

Domestic and Foreign Hides Closely Sold Up, With Offerings Small

DECIDED strength continues throughout the hide markets, although the advancing tendency was lately checked on common varieties of Latin-American drys has been somewhat checked. These, however, are closely sold up and remain firm, but buyers have refused to follow prices to additional higher limits. Packer hides are well cleaned up both West and East. Prices have ruled firm to a shade higher on lightweights and thus far this week killers have been slow to offer out fresh lines and are intimating that they will want a general further advance. Extreme light native steers sold at 20½c. and one packer reports obtaining 20½c. for Canadian point plant light native cows. St. Paul native bulls brought 16c. and bids of 15½c. for other points were refused with 16c. asked. Other selections were well traded in at full prices and the New York market was cleaned up on June native and branded steers at Chicago values or 19½c. for natives, 18c. for butt brands and 17½c. for Colorados.

Country hides are strong, with the offerings as scant as ever. Straight weight extremes are firm at 20½c. with up to 21c. generally asked and in Boston, Middle West and Pennsylvania shippers are demanding 20½c. to 21c. for 25 to 50-pound weights. Few 25 to 45's are offered, as extremes up to 50 pounds can be sold just as easily as up to 45 pounds. Buffs are firm on sales at 18c. with 18½c. generally asked.

Foreign hides continue firm. River Plate frigorificos are as tightly sold up as are domestic packers, with late trading in Argentine steers at the equivalent of 18½c. Cows are bringing a premium and are sold out up to 19½c. while extremes, both straight frigorificos and frigorifico types are sold ahead into July salting. Type extremes have bought up to 21½c. and light hides command premiums in South America the same as here. No change is reported in Latin-American dry hides with last sales of Orinocos at 24½c. and heavyweight Cucutas at 26½c.

Calfskins are quiet, the rapid advances asked having somewhat checked the former demand. No change is noted West. In New York, some 9 to 12-pound weights alone brought \$3.30, while former business in the three weights together was at \$1.90, \$2.25 and \$3.25. Some sources say that their tanner principals are less interested in heavier weight skins than heretofore. Kips are very scarce and continue extra strong. Last sales West of packers were at 22½c. for natives, 23c. for overweights and 20c. for brands of May salting, with some June's offered at up to 24c. for natives and overweights together.

Leather Prices Still Advancing

GENERAL conditions remain strong in all lines of shoe leathers, with sole continuing in a firm position and still further advances being named by tanners for various lines of upper. Trade, however, is moderate, which is in line with present footwear conditions as orders for shoes are not expected to come in big volume until the latter part of this month. While the volume of new orders for backs, bends and sides is not large, it is said that tanners are satisfied as they do not want to sell heavily or make advance commitments of account on the present market. The policy of some of the largest tanners is not to sell any more stock than they can deliver within a month at least. Lightweight factory leather in backs and bends is still in scant supply and, as a consequence, continues to bring a premium in price. Best tannage lightweight union cow backs are firmly established at 47c. tannery run, with sizable sales on this basis, while steer hide backs sell from 46c. and down according to quality, etc.

Offal is likewise keeping in a strong position. Large New York tanners have realized 1c. higher on bellies than heretofore, having effected car-lot sales of their best oak wide stock at 30c. for steers and 28c. for cows and an all-around price of 27c. for union trim. The same sellers are securing 36c. for their best single oak shoulders and 33c. to 34c. for

union as to weight, but have not sold any double oak rough shoulders as they are asking 41c. for a regular welted run as against late sales by some other tanners at 38c. to 40c.

Still further advances are being asked on upper, particularly cow hide sides in chrome tannages, and one big producer of large spread leather is now definitely up another 2c. quoting 27c. and 25c. for the two principal selling grades. On some special tannage full grain extreme hide sides in fancy colors, particularly adapted for slipper work, prices are up fully 10c. per foot from the low point with from 40c. to 45c. now quoted on top grades as to colors. Calf leather tanners report that they are doing considerably more business in some sections, particularly on blacks, but the demand from the Brooklyn factories has failed to come up to some expectations. Patent leather continues to sell well, but in the New York district would move in larger quantities if shoe trading were of larger proportions. Sheep leathers in a general way show up somewhat firmer and buyers admit that it is difficult to pick up just the lines they want at concessions, as they were formerly able to do.

Stocks of Hides and Leather

ACCORDING to a preliminary report issued by the Hide and Leather Division of the Department of Commerce, the stocks held by tanners at the end of May, of cattle hide backs, bends and sides amounted to 2,557,093 as compared with 2,594,511 at the close of April and 4,437,630 at the close of May a year ago. Supplies on hand of belting butts and butt bends aggregated 232,793 rough and 92,363 curried on May 31, which compares with 222,355 rough and 95,023 curried on April 20 and 389,863 rough and 60,618 curried on May 31, 1926. The holdings of offal at the end of last month were 17,256,129 pounds, as against 17,877,519 on April 30, and 16,209,242 pounds on May 31, 1926.

Stocks in process of sole leather at the end of May totaled 4,984,657 backs, bends and sides, which compares with 4,954,274 at the close of April and 4,298,443 at the end of May, 1926. Stocks in process of belting butts and butt bends on May 31 aggregated 358,457 rough and 157,895 curried, which compares with 376,149 rough and 162,423 curried on April 30, and 336,514 rough and 111,840 curried on May 31, 1926.

The production of sole leather during May reached 1,374,023 backs, bends and sides, while for the previous month the figure was 1,396,514 and for April, a year ago, 1,059,346. Production of belting butts and butt bends amounted to 80,911 rough and 82,311 curried in May, 76,085 rough and 78,839 curried in April and 59,872 rough and 79,678 curried in May a year ago. Production of offal last month totaled 9,781,173 pounds, as against 9,899,896 pounds the month previous and 8,635,279 pounds in May, 1926.

Record of Week's Failures

INSOLVENCIES in the United States continue quite numerous for this period of the year, the number reported this week being 424, which is 46 more than the 378 similar defaults shown in the corresponding week a year ago, and contrasts with 425 last week and 402 the preceding week. The gain this week is mainly in the Western States. On the other hand, failures in the South are below those of last week and a year ago, while there is also a decrease on the Pacific Coast and a slight increase in the East.

The insolvency record for Canada this week is again favorable, a total of 38 failures being reported. This compares with 38 defaults in the preceding week, 40 the week before and 35 failures a year ago.

Section	Week June 30, 1927		Week June 23, 1927		Week June 16, 1927		Week July 1, 1926	
	Over \$5,000	Total	Over \$5,000	Total	Over \$5,000	Total	Over \$5,000	Total
East	95	147	90	142	64	104	82	110
South	43	96	62	111	64	119	41	102
West	74	127	65	116	72	115	54	101
Pacific	22	54	21	56	30	64	26	65
U. S.	235	424	238	425	230	402	203	378
Canada	21	38	27	38	23	40	15	35

TRADING IN GRAIN VERY UNEVEN

The Wide Fluctuations in Price is the Chief Disturbing Factor

TRADING in all grains was subject to wide price swings with the biggest gains recorded in the Monday trading. Corn was the star performer and closed 5½c. to 6½c. higher on the opening day on local buying, which scared the short traders into covering sharply. The other grains followed with gains of as high as 2c. recorded. Gains of a major fraction or better also were made by wheat and corn in the Tuesday trading, while rye inclined to weakness and oats held steady.

There was little in the news of the first half of the week to influence the trading in the two most active cereals. Weather in both the corn and wheat belts was excellent, but there was talk of black rust possibilities for wheat which aided the bull traders. The corn news continued to emphasize the lateness of the crop.

Crop news on oats was generally favorable while liquidation by longs in rye was held responsible for the easy tone in that grain.

U. S. visible supply of grains for the week in bushels were as follows: Wheat, 21,155,000, off 1,619,000; corn, 34,374,000, up 1,421,000; oats, 17,920,000, off 578,000; rye, 1,238,000, off 318,000; and barley, 1,019,000, up 238,000.

Daily closing quotations of wheat options in the Chicago market follow:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	1.40%	1.41%	1.42½	1.41½	1.44½	1.44%
September	1.38%	1.40½	1.42½	1.40½	1.43½	1.44%

Daily closing quotations of corn options in the Chicago market follow:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	94½	1.00%	1.01½	99%	99½	96
September	1.00½	1.06%	1.08½	1.06½	1.07½	1.04%

Daily closing quotations of oats options in the Chicago market follow:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	45½	47½	47½	46½	46%	45%
September	45½	47½	47½	47½	48	46%

Daily closing quotations of rye options in the Chicago market follow:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	1.13	1.14½	1.13	1.10%	1.11½	1.09%
September	1.00	1.02	1.02½	1.01	1.02½	1.01%

The grain movement each day is given in the following table, with the week's total, and comparative figures for last year:

	Wheat		Flour, Atlantic Exports		Corn, Western Receipts		Corn, Atlantic Exports	
	Western Receipts	Atlantic Exports	Western Receipts	Atlantic Exports	Western Receipts	Atlantic Exports	Western Receipts	Atlantic Exports
Friday	734,000	136,000	13,000	916,000	.....	.....	.....	.....
Saturday	687,000	23,000	14,000	767,000	.....	.....	.....	.....
Monday	1,458,000	120,000	8,000	1,151,000	.....	.....	.....	.....
Tuesday	1,161,000	102,000	2,000	1,036,000	.....	.....	.....	.....
Wednesday	1,085,000	72,000	22,000	695,000	.....	.....	.....	.....
Thursday	938,900	176,000	44,000	718,000	17,000	17,000	17,000	17,000
Total	6,063,000	629,000	103,000	5,283,000	.....	.....	.....	.....
Last year	9,279,000	2,206,000	206,000	2,435,000	43,000	43,000	43,000	43,000

Trade in Western Canada

SASKATOON.—Wholesalers report an increase in sales for the month of June, as compared with those for the same period last year, although collections are rather slow. Retailers in dry goods, boots and shoes and clothing state that conditions are improving steadily, with more seasonable weather. There is a good demand for hardware and building materials, and sales of farm machinery are better than they were in former years. Building permits in the city show a large increase, as compared with those of 1926, and labor is well employed. Crop conditions throughout the northern half of Saskatchewan are very promising, and retailers throughout the country are preparing for an active Fall and Winter trade.

CINCINNATI.—Money is in fairly good supply, and moderate demand is noted for both commercial and industrial purposes. Rates are unchanged, ranging from 5 to 6 per cent., with 5½ per cent. the ruling quotation.

ACTIVITY IN THE STOCK MARKET

The Tendency Downward with Somewhat Lower Average Prices

THE stock market has turned rather generally toward dullness in the past week, with the exception of last Monday, when, with the stiffening of money rates, a severe reaction set in and caused a lowering in the averages of industrial and railroad stocks. Measured by the number of issues affected by the reaction the break was one of the most severe of the current year, although in actual losses it was not as striking as some other declines in recent weeks. The decrease of \$44,000,000 in Federal Reserve brokers' loans, brought about a brisk recovery in the early dealings of Tuesday, but notwithstanding, trading dwindled and the market, as a whole, has been drifting ever since.

The chief features of the week included Adams Express, Air Reduction, General Railway Signal, New York Dock, Weber & Heilbroner, and Woolworth. Canada Dry Ginger Ale and International Paper, which were placed on new annual dividend bases of \$3 and \$2.40, respectively, also came in for considerable activity and strength. The so-called pivotal stocks were not in the limelight this week, General Motors heading a steady downward trend in the motors issue, and Steel also falling from its levels of the last week or two. Baldwin, after a display of strength, met with a decline on the announcement of a cut in operations to 10 per cent. of capacity, and turned sharply downward on Thursday. Oil and copper stocks weakened considerably. The rails continued steady and fairly firm without any great burst of activity.

The daily average closing quotations of sixty railway, ten industrial and five traction and gas stocks are appended:

	Last Year	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
R. R.	94.26	106.49	105.33	105.23	105.40	105.35	106.65
Indus.	117.35	146.83	145.66	145.69	145.38	144.82	147.08
Gas. & T.	104.47	116.37	116.05	115.73	115.55	115.58	116.10

Daily transactions in stocks and bonds on the New York Stock Exchange compare with last year as follows:

Week Ending July 1, 1927	Stocks		Shares		Bonds		
	This Week	Last Year	This Week	Last Year	This Week	Last Year	
Saturday	667,800	454,600			\$5,871,000	\$5,349,000	
Monday	2,240,700	951,600			11,084,000	9,914,000	
Tuesday	1,403,800	1,430,600			12,586,000	12,379,000	
Wednesday	1,393,600	1,706,500			10,949,000	9,501,000	
Thursday	1,365,500	1,703,100			9,819,000	11,195,000	
Friday	1,225,000	1,410,000			10,530,000	9,562,000	
Total	8,399,400	7,656,400			\$60,639,000	\$57,900,000	

Trade Conditions in Portland, Ore.

PORTLAND.—The volume of retail trade is moderate, with the best showing made in Summer apparel lines, as well as in food commodities. Jobbing business is only fair, in spite of the excellent farming prospects throughout this territory. Labor conditions are about normal for this time of year. Building is active and highway construction gives employment to many men, but there is a surplus of farm labor in most parts of the State. Lumber mill and logging camp workers will be temporarily affected by the holiday shutdowns of many plants.

Lumber orders are holding close to the recent level, but are not on a par with those of a year ago, while production is keeping pace with sales. The mills are not in bad shape, considering the orders on hand, while stocks are not excessive and will be further curtailed over the July 4 period. With the industry, as a whole, proceeding at a slower pace,

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prices have not been much affected, as a large part of the business being placed is either for quick shipment or for mixed assortments, and the buyers are more interested in getting the delivery and the mixtures they require than in any small difference in price. The tidewater mills continue to receive liberal orders from abroad.

Fruit crops have been benefited by warmer weather, following the late rains. While production will be lighter than last year, except of berries, the indications are that prices will be better than in 1926. The Oregon potato crop promises to show another increase. For the season just closed shipments totaled 2,609 cars. The acreage of late onions is about normal and the crop is in good condition. Haying has started with a large yield. Flax and hops are doing well.

Nearly 1,000,000 pounds of wool, comprising the best of the remaining clips in the State, were sold during the week at growers' auctions at firm prices. Less than 2,000,000 pounds remain in first hands.

UNCERTAIN FEELING IN COTTON

Price Movements Governed by Crop Condition Reports—General Undertone Heavy

AFTER a fairly steady opening, with quotations ruling from 2 to 6 points below the previous close, free liquidation of July contracts brought about an easier feeling and prices dropped from 9 to 14 points. The weakness, however, was not at any time especially pronounced, although reports of weather conditions throughout a large portion of the belt were, in the main, favorable and not a few traders apparently regarded this feature as much the most important factor in the situation. On Tuesday, after the liquidation of July contracts, which has been progressing since early in the month, had been practically completed by the offering of about 160,000 bales, the market turned strongly upward. Assisted by reports of rain and the prevalence of boll weevil, quotations advanced until net gains of from 29 to 32 points were established and the close was at the highest level of the session. Although Tuesday's covering somewhat improved the market's technical position, traders displayed considerable reluctance to operate with any great amount of confidence and from the middle of the week on transactions were moderate in volume. But, while prices developed a sagging tendency, there was no particular selling pressure evident, which probably to more or less extent reflected the contradictory nature of the weather reports, and there was always notable resistance to the reactionary movement. With weather conditions at the moment, and probably for the next two months, the dominating factor, comparatively few traders appear to have sufficient confidence to take an aggressive stand on either side of the account. So far, growing conditions have been favorable and the crop has been making, on the whole, very satisfactory progress, but this is offset by the widespread prevalence of the boll weevil, and recognition of the possible damage that may be done by this pest during the next two months. While this probably accounts for the lack of an active buying movement, there is no evidence of particular weakness and the week ended with only moderate changes in prices.

Daily closing quotations (cents per pound) of cotton futures in the New York market follow:

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July	16.59	16.47	16.79	16.69	16.82	16.84
October	16.91	16.82	17.12	16.97	17.08	17.10
December	17.16	17.05	17.36	17.19	17.28	17.31
January	17.24	17.10	17.41	17.24	17.32	17.35
March	17.41	17.29	17.58	17.40	17.51	17.54

SPOT COTTON PRICES

	Fri.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
June 24	June 25	June 26	June 27	June 28	June 29	June 30	
New Orleans, cents	16.49	16.49	16.49	16.70	16.59	16.59	
New York, cents	16.80	16.85	16.75	17.05	16.95	17.03	
Savannah, cents	16.26	16.31	16.17	16.49	16.39	16.50	
Galveston, cents	16.70	16.70	16.60	16.80	16.80	16.90	
Memphis, cents	15.75	15.75	15.75	16.00	16.00	16.00	
Norfolk, cents	16.50	16.25	16.13	16.33	16.33	16.50	
Augusta, cents	16.38	16.38	16.25	16.43	16.50	16.63	
Houston, cents	16.40	16.45	16.45	16.75	16.70	16.80	
Little Rock, cents	15.75	15.75	16.55	16.55	15.85	15.95	
St. Louis, cents	15.75	15.75	15.75	15.75	15.75	15.75	
Dallas, cents	16.35	16.35	16.35	16.35	16.35	16.35	
Philadelphia, cents							

RETAIL TEXTILE SALES GAIN

Holiday Brings Quiet to Primary Textile Markets, as Distribution Increases

APPROACHING the holiday, the primary textile markets were quiet but retail distribution in made-up Summer lines was active. More seasonable weather stimulated consumer purchasing that had been long delayed. Wholesalers have been buying moderately to cover additional Fall needs.

In production, cotton goods mills continue to lead all textiles. There has been some contraction in silk production, due to the caution of leading factors in risking the accumulation of supplies, while fabric demand for forward delivery has been light. In the wool goods division, while there has been no further contraction, a new seasonal opening is at hand, and the indications are that increased activity on light-weight lines may be instituted.

There has been some stimulation of distribution arising from clearance and inventory sales, but the movement is spotty and is held back somewhat by the holidays. In agricultural sections, there is a strong desire shown to await further crop reports before making longer commitments for either retail or wholesale selling. In some of the industrial sections, there has been some hesitancy.

Textile raw material markets have been rather firm, although silk has eased a little. Cotton has advanced sharply and remains very strong, especially in the long staple cotton division of the markets. Wool markets have ruled generally firm, with buying of a hand-to-mouth character. Rayon contracts are now being accepted at old prices on deliveries to continue through October, and this, in turn, is leading mills to enter further fabric contracts. Jute stiffened during the week, and it holds rather steady due, it is stated, to the carry-over from the current crop consisting of many low grades.

Course of Fabric Markets

WITH the exception of a temporary revision of prices on two of the leading lines of 4-4 bleached cottons to clean up stocks, followed by a partial restoration of prices, the cotton goods markets have held fairly steady, and in the gray goods division have remained very firm. Print cloths, sheetings, shade cloths, and some of the fancy convertibles are stronger. Plain fine cloths are quiet. There has been a steady cleaning up of odd lots of wash fabrics and prices have held steadier than in recent seasons. Cotton flannels are well sold through the Summer months. Ginghams are very quiet. Printed goods have been quieter in first hands, but large printers have good orders on their books. Tire fabrics are steady, and duck is quiet. Draperies have been more active.

Some lines of tropical worsteds have been opened informally and orders are being taken by mills for another Spring season. Some of the lines of fine cloakings for Fall have been advanced or withdrawn, while others are now so well sold that new deliveries cannot begin before August. Dress goods markets generally are quiet, most of the business being done on specialties of mixed construction. More interest has developed in heavy-weight wool sweaters.

Raw silk markets were somewhat easier. A moderate amount of new business is developing on Fall silks. The seasonal clean-up of light-weight printed silks and sheer fabrics has been very fair, but prices have been most unsatisfactory. Rayon and silk mixtures are in better demand.

Fashioned hosiery continues to dominate the markets, circular knit goods being harder to sell. Silk and fiber hosiery are in much better demand than cotton lines. More business has developed on heavy-weight knit underwear, and balbriggan lines have been cleaned up very well for the season.

Co-operation in Wool Goods Industry

THREE hundred woolen and worsted mill owners, executives and selling agents held the most important meeting in the trade in recent years last week and agreed to organize the industry to try to remedy the chaotic conditions

that have been demoralizing the business since the war ended.

An exhaustive analysis of the situation in the industry was made under the direction of A. D. Whitside, and presented to those at the meeting, and recommended a selection of a board to co-ordinate all trade sentiment and effect unity of action in a representative capacity.

He also recommended an advance of the prices being asked for goods to put the mills on a profit-making basis, and to insure a return of at least 5 per cent. on the invested capital. He recommended the adoption of a uniform cost accounting system by the trade, regular statistical surveys and reports, any needful publicity, either through advertising or otherwise, and the appointment of a committee to take up questions of production and distribution at once.

Arrangements are to be made to work in harmony with organizations in other divisions than manufacturing fabrics, and it is understood that the garment and clothing manufacturers are strongly in favor of more united action to end the fruitless and demoralizing competition that has been going on for some time. After the meeting it was stated that more unanimity of action is forecast, as a result of the reports made and the discussions following them, than has ever been possible in the industry.

Trade in Eastern Canada

MONTREAL.—Notwithstanding the continuance of variable atmospheric conditions, which operate as somewhat of a handicap to activity in seasonable lines, there is, nevertheless, a very fair volume of retail sales, more particularly in vacation requirements, draperies and kindred items for decorative purposes. The raw fur sales held this week by the Canadian Fur Auction Company attracted quite a large attendance of outside buyers, and the prices realized show a general advance on prices for the series preceding. As a matter of fact, no reduction was shown in any line, while such favored pelts as badger, red fox, raccoon, fisher, and so on, all showed a substantial gain, which, it is figured, will be fully maintained during the ensuing Fall and Winter.

Wholesalers of dry goods report business as somewhat spotty. In the Far West, a disposition is more or less apparent to hold back orders pending more assured crop prospects, but in the older sections of the Dominion, travelers are said to be meeting with fair encouragement. Domestic mills are all now making free deliveries of Fall lines. Prices of hides are maintained at the lately noted high level, with all tanners reporting stocks unusually low.

There is a fair export movement, more particularly in sole leather, to American boot and shoe centers, and quite a few inquiries from Britain. Wholesalers of groceries report quite a satisfactory movement, with money coming in well from the country, though city collections are affected in some degree by the numerous chain store organizations. The only notable change in valuations in this line is a reduction in sugar quotations of 10c. a hundred, making the present refinery figure for standard granulated \$6.65. General and export trade in dairy products still is of comparatively limited extent. For the season thus far there have been no shipments of butter to Britain, while the exports of cheese, aggregating about 95,000 boxes, are only about half of the figures at this date a year ago.

Matters in the grain export trade are somewhat quiet at the moment. There was active European buying in May, with the result that stocks in Britain and the Continent are fairly large, and no increase in demand is looked for during early July. Exports for the season to date are figured at about 55,000,000 bushels, including an unusually large proportion of rye, principally destined for southeastern Europe. Stocks in elevators at the moment of writing are estimated at about 8,000,000 bushels.

QUEBEC.—Owing to the special holiday on July 1, in connection with the Anniversary of Confederation in Canada, the week's trading was somewhat broken but, on the whole, has been satisfactory, the finer weather and the closing of schools and exodus to Summer resorts making the usual stir in business. Farming conditions, while somewhat delayed in the early Spring have improved rapidly and results now are about normal for the season. Industrial conditions are improving slowly, and the building trades are actively employed.

Treasury Shows Six Million Surplus

THE fiscal year 1926-27 which ended June 30, shows a Treasury budget surplus of about \$630,000,000 and an indicated reduction in the public debt of more than \$1,000,000.

The latest figures available were for June 28, and the exact surplus of that date was \$636,217,957 and the debt reduction then accomplished \$1,065,754,223.

The surplus, which is now estimated at about \$630,000,000, establishes a new record. The former record was \$505,366,986, in the fiscal year 1924.

Debt reduction has passed the billion-dollar mark on three previous occasions. It amounted to \$1,185,184,693 in 1920; \$1,014,068,844 in 1922; and \$1,098,894,376 in 1924. The reduction in 1920 was accomplished largely by the use of a large balance which had been held in the Treasury general fund, whereas other reductions have been principally from items set aside by law for debt reduction and the budget surplus.

The Treasury position is that the record budget surplus for the current year cannot be taken as indicating a similar accomplishment in the fiscal year 1928, as there were several sources of revenue in 1927 which are not recurrent, and the failure of the second deficiency bill in the last Congress made it necessary to delay until next year heavy payments of tax refunds and other expenditures which would otherwise have been made in the current fiscal year.

Customs receipts for the current fiscal year exceeded \$600,000,000, about \$30,000,000 greater than the total for 1926. Income tax payments of about \$2,225,000,000 are more than \$200,000,000 in excess of the record of 1926. Miscellaneous taxes at about \$640,000,000 are about \$210,000 under the 1926 collections.

Federal Reserve Cuts Gold Abroad

A REDUCTION of \$14,599,000 in the gold held abroad by the Federal Reserve System, making the total cut \$36,499,000 in the last two weeks, was disclosed Thursday in the weekly combined statements of the twelve Federal Reserve Banks. The external holdings of the metal by the Reserve Banks now have been reduced to \$25,734,000, which compares with the original amount of \$59,548,000, which represented gold purchased from the Bank of France.

The assumption is that the gold has been repurchased by the Bank of France, which has been accumulating a large amount of dollars during the last few weeks. Most of these purchases of dollars have been in London, a fact which tends to keep down the New York rate for sterling. It is possible

that France now desires to reduce its holdings of dollars by converting part of it into gold.

Of the loss in gold held abroad, \$4,044,000 was sustained by the Federal Reserve Bank of New York, whose holdings are now \$5,369,000, so that the balance of the metal held abroad is distributed among the other banks of the Reserve System.

The reason for the holding of gold earmarked abroad by the Federal Reserve System, which is not counted in the gold reserves of the system, is to shut off the flow of gold to this country in unwieldy amounts. Foreign central banks have large balances in this country, which, it is pointed out, tend to create a potential demand on the gold reserves in the United States.

Gold movements through the Port of New York during the week ended on June 29 consisted of exports amounting to \$330,000, which went to Mexico and Java, and imports of \$2,094,000, of which \$1,994,000 came from the Netherlands. There was no movement of gold to or from Canada.

Shoe Trade Somewhat Improved.—New England notes that manufacturers are receiving somewhat better orders and are fighting hard for advances as a result of the higher hide and leather markets. Some increases are reported being paid, with reports of higher prices secured ranging from 15c. to 35c. per pair. Brooklyn producers are also in receipt of more business than formerly and anticipations are that activity of account will soon be witnessed. Some large buyers, such as chain stores, are coming into line and placing orders at best possible prices. At a rule, more women's shoes could be sold than are actually moved, but July is generally an active month and larger trading is confidently expected within the next few weeks.

Notes of Textile Markets

By opening their books for orders carrying deliveries through October, the large rayon producers relieved many price uncertainties as the current price was continued. Irregular selling of foreign rayons has continued.

The Cotton Textile Institute has appointed a committee of cotton manufacturers to act co-operatively with the Southern cotton associations and with government departments having the handling of cotton facts. It also has appointed committees to work on harmonious co-operation with the government departments dealing with new use of cotton.

Cotton yarn merchants, and spinners, have agreed with the Cotton Textile Institute upon rules for the governing of trade relations and establishing definite ethical standards for the trade.

Burlap markets have been holding fairly steady, but have not followed the recent rise in jute very closely. Some July shipment business has been done in the interval.

CANADIAN TRADE

DISPATCHES to DUN'S REVIEW from branch offices of R. G. DUN & Co. in the principal cities state that, while there has been no important development or change in the Canadian business situation, the advent of warmer weather at some points has been promptly followed by an increased demand for seasonal commodities. Staple merchandise continues to be absorbed in very satisfactory volume. Although climatic conditions have been too variable and the average temperature too low, except for a short period in April, to allow a normal distribution of summer specialties, it is believed that comparatively light stocks will have to be carried over because of the conservatism that marked the buying operations of many retailers early in the year. Moreover, there has been a steady and active movement into consumption of many staples, including cotton goods, millinery, wearing apparel, footwear, furniture, paints, hardware, oils, building materials, plumbing and electrical supplies, so that sales, in the aggregate.

While inclement weather affected adversely demand for some kinds of seasonal merchandise and in some districts retarded seedling operations, conditions, in the main, of late have been eminently favorable for the growing crops, and advices from numer-

ous important agricultural districts are decidedly encouraging. These reports are reflected in a widespread feeling of optimism regarding the future and, though general business is beginning to show renewed activity, summer slowing down an extensive scale is confidently anticipated with the approach of Fall.

FRANK C. GIBB, President SAMUEL J. GRAHAM, Sec'y & Treas.

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RETAIL TEXTILE SALES GAIN

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There is a fair export movement, more particularly in sole leather, to American boot and shoe centers, and quite a few inquiries from Britain. Wholesalers of groceries report quite a satisfactory movement, with money coming in well from the country, though city collections are affected in some degree by the numerous chain store organizations. The only notable change in valuations in this line is a reduction in sugar quotations of 10c. a hundred, making the present refinery figure for standard granulated \$6.65. General and export trade in dairy products still is of comparatively limited extent. For the season thus far there have been no shipments of butter to Britain, while the exports of cheese, aggregating about 95,000 boxes, are only about half of the figures at this date a year ago.

Matters in the grain export trade are somewhat quiet at the moment. There was active European buying in May, with the result that stocks in Britain and the Continent are fairly large, and no increase in demand is looked for during early July. Exports for the season to date are figured at about 55,000,000 bushels, including an unusually large proportion of rye, principally destined for southeastern Europe. Stocks in elevators at the moment of writing are estimated at about 8,000,000 bushels.

QUEBEC.—Owing to the special holiday on July 1, in connection with the Anniversary of Confederation in Canada, the week's trading was somewhat broken but, on the whole, has been satisfactory, the finer weather and the closing of schools and exodus to Summer resorts making the usual stir in business. Farming conditions, while somewhat delayed in the early Spring have improved rapidly and results now are about normal for the season. Industrial conditions are improving slowly, and the building trades are actively employed.

Treasury Shows Six Million Surplus

THE fiscal year 1926-27 which ended June 30, shows a Treasury budget surplus of about \$630,000,000 and an indicated reduction in the public debt of more than \$1,000,000.

The latest figures available were for June 28, and the exact surplus of that date was \$636,217,957 and the debt reduction then accomplished \$1,065,754,223.

The surplus, which is now estimated at about \$630,000,000, establishes a new record. The former record was \$505,366,986, in the fiscal year 1924.

Debt reduction has passed the billion-dollar mark on three previous occasions. It amounted to \$1,185,184,693 in 1920; \$1,014,068,844 in 1922; and \$1,098,894,376 in 1924. The reduction in 1920 was accomplished largely by the use of a large balance which had been held in the Treasury general fund, whereas other reductions have been principally from items set aside by law for debt reduction and the budget surplus.

The Treasury position is that the record budget surplus for the current year cannot be taken as indicating a similar accomplishment in the fiscal year 1928, as there were several sources of revenue in 1927 which are not recurrent, and the failure of the second deficiency bill in the last Congress made it necessary to delay until next year heavy payments of tax refunds and other expenditures which would otherwise have been made in the current fiscal year.

Customs receipts for the current fiscal year exceeded \$600,000,000, about \$30,000,000 greater than the total for 1926. Income tax payments of about \$2,225,000,000 are more than \$200,000,000 in excess of the record of 1926. Miscellaneous taxes at about \$640,000,000 are about \$210,000 under the 1926 collections.

Federal Reserve Cuts Gold Abroad

A REDUCTION of \$14,599,000 in the gold held abroad by the Federal Reserve System, making the total cut \$36,499,000 in the last two weeks, was disclosed Thursday in the weekly combined statements of the twelve Federal Reserve Banks. The external holdings of the metal by the Reserve Banks now have been reduced to \$25,734,000, which compares with the original amount of \$59,548,000, which represented gold purchased from the Bank of France.

The assumption is that the gold has been repurchased by the Bank of France, which has been accumulating a large amount of dollars during the last few weeks. Most of these purchases of dollars have been in London, a fact which tends to keep down the New York rate for sterling. It is possible

that France now desires to reduce its holdings of dollars by converting part of it into gold.

Of the loss in gold held abroad, \$4,044,000 was sustained by the Federal Reserve Bank of New York, whose holdings are now \$5,369,000, so that the balance of the metal held abroad is distributed among the other banks of the Reserve System.

The reason for the holding of gold earmarked abroad by the Federal Reserve System, which is not counted in the gold reserves of the system, is to shut off the flow of gold to this country in unwieldy amounts. Foreign central banks have large balances in this country, which, it is pointed out, tend to create a potential demand on the gold reserves in the United States.

Gold movements through the Port of New York during the week ended on June 29 consisted of exports amounting to \$330,000, which went to Mexico and Java, and imports of \$2,094,000, of which \$1,994,000 came from the Netherlands. There was no movement of gold to or from Canada.

Shoe Trade Somewhat Improved.—New England notes that manufacturers are receiving somewhat better orders and are fighting hard for advances as a result of the higher hide and leather markets. Some increases are reported being paid, with reports of higher prices secured ranging from 15c. to 35c. per pair. Brooklyn producers are also in receipt of more business than formerly and anticipations are that activity of account will soon be witnessed. Some large buyers, such as chain stores, are coming into line and placing orders at best possible prices. At a rule, more women's shoes could be sold than are actually moved, but July is generally an active month and larger trading is confidently expected within the next few weeks.

Notes of Textile Markets

By opening their books for orders carrying deliveries through October, the large rayon producers relieved many price uncertainties as the current price was continued. Irregular selling of foreign rayons has continued.

The Cotton Textile Institute has appointed a committee of cotton manufacturers to act co-operatively with the Southern cotton associations and with government departments having the handling of cotton facts. It also has appointed committees to work on harmonious co-operation with the government departments dealing with new use of cotton.

Cotton yarn merchants, and spinners, have agreed with the Cotton Textile Institute upon rules for the governing of trade relations and establishing definite ethical standards for the trade.

Burlap markets have been holding fairly steady, but have not followed the recent rise in jute very closely. Some July shipment business has been done in the interval.

CANADIAN TRADE

DISPATCHES to DUN'S REVIEW from branch offices of R. G. DUN & CO. in the principal cities state that, while there has been no important development or change in the Canadian business situation, the advent of warmer weather at some points has been promptly followed by an increased demand for seasonable commodities. Staple merchandise continues to be absorbed in very satisfactory volume. Although climatic conditions have been too variable and the average temperature too low, except for a short period in April, to allow a normal distribution of summer specialties, it is believed that comparatively light stocks will have to be carried over because of the conservatism that marked the buying operations of many retailers early in the year. Moreover, there has been a steady and active movement into consumption of many staples, including cotton goods, millinery, wearing apparel, footwear, furniture, paints, hardware, oils, building materials, plumbing and electrical supplies, so that sales, in the aggregate.

While inclement weather affected adversely demand for some kinds of seasonable merchandise and in some districts retarded seeding operations, conditions, in the main, of late have been eminently favorable for the growing crops, and advices from numer-

ous important agricultural districts are decidedly encouraging. These reports are reflected in a widespread feeling of optimism regarding the future and, though general business is beginning to show the customary midsummer slowing down, renewed activity upon an extensive scale is confidently anticipated with the approach of Fall.

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